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Editorial Notes.

Mr. Deivasikhamani Mudaliar.

On the 6th of this month Dewan Bahadur K. Deivasikhamani Mudaliar, Joint Registrar of Co-operative Societies, Madras, will retire from service. He joined the department in 1905, soon after it was formed, as an Inspector. Before that he had been for some time the honorary secretary of the Kilacheri Co-operative Society and his good work in that capacity attracted the attention of Mr. (later Sir) P. Rajagopalachariar, the first Registrar, who was able to persuade Mr. Mudaliar to join his staff. Mr. Mudaliar received invaluable training under him and Mr. R. Ramachandra Rao, the second Registrar, than whom none realised better the potentiality of the co-operative movement for bringing about the moral regeneration of the country. Mr. Mudaliar soon won the affection and regard of both officials and non-officials by his sympathy, tact, and knowledge of co-operation and accounts. Step by step he rose to be Chief Inspector, Assistant Registrar, Personal Assistant, Joint Registrar and acted as Registrar on two occasions. Government showed their continued appreciation of his services, by first making him Rao Sahib, then Rao Bahadur and then Dewan Bahadur. In the later years of his service he naturally showed an unequalled knowledge of details, being the most experienced officer in the department. At the same time he was a true representative of the old school—deep in the knowledge of human nature, shrewd, tactful and yet firm. He took a special interest in the Milk Supply Union and

made it a success against heavy odds. Though he has had to retire according to service rules, there is plenty of work in him, and we are sure that he will be available for long to serve the movement as a non-official.

In his place Mr. M. Giriappa has been appointed as Joint Registrar. We wish him as useful and successful a tenure of office as his distinguished predecessor had.

The Central Co-operative Printing Works.

The Central Co-operative Printing Works, which was organised by the Provincial Co-operative Union in 1919, in pursuance of a resolution of the Provincial Co-operative Conference, and which worked satisfactorily for a long time, has not been doing quite well during the last three or four years. The Joint Registrar of Co-operative Societies held an enquiry into its affairs in August 1935 to see if the management should not be superseded, and on 2nd October he cancelled the registration of the society. The Directors thereupon appealed to Government against the order of liquidation and, along with some non-official co-operators interested in non-credit co-operation waited in deputation upon the Registrar and represented to him that liquidation was a drastic remedy and that they were prepared for any step to revive the society short of liquidation. The Registrar thereupon decided to give a chance to the society by appointing a Special Committee in supersession of the Directors for a period of six months from the 5th February 1936. The Special Committee consists of Mr. A. G. Anderson, Senior Deputy Superintendent, Government Press, Madras; Rao Saheb M. J. Venkatakrishna Pillai, retired District Registrar of Assurances; Mr. C. D. Nayagam, retired Deputy Registrar of Co-operative Societies; Mr. K. C. Ramakrishnan, Senior Lecturer in Economics, University of Madras; and Mr. V. Venkatasubbaiya, Joint Secretary, Madras Provincial Co-operative Union, Madras. The Special Committee has now taken charge of the Press and has obtained the services of a Senior Inspector as its Manager.

The chief charges against the Directors who were superseded were that they neglected the main object of the society, which is to do printing for co-operative societies and their members and to supply stationery, account books etc., to the societies; that they depended more and more upon private jobs, and that they did not carry on the work of the press on right business lines. The Special Committee

will no doubt restore to the press its co-operative character and will try to rectify all the defects pointed out by the Registrar in his order. But the success of its attempts will depend entirely upon the degree of co-operation which the member societies will extend to the press. Some of the biggest co-operative institutions in the city of Madras, which have contributed a good deal to the share capital of the press, have in recent years withdrawn their work from it for various reasons which it is unprofitable to discuss at present. We earnestly appeal for their co-operation. It is the good fortune of our city to possess some of the best known leaders of the co-operative movement and some of the foremost co-operative institutions in the whole country—for instance, the Triplicane Stores, the Central Land Mortgage Bank, the Co-operative Insurance Society and the Provincial Bank. With the help of these leaders and these institutions it should be no difficult task to save the press and also to develop it. It is the oldest existing co-operative printing press in India. It would be a discredit not only to member societies but also to the whole movement in our province if at the end of the life of the Special Committee the Registrar should find it necessary to liquidate the society. We trust such a calamity will be prevented.

Brennen College Co-operative Store.

One cannot too highly commend the manner in which the Government Brennen College Co-operative Union, Tellicherry, has chosen to commemorate its successful working during the last year. It has brought out an "annual," apparently in the hope that it would be able to bring out a similar volume every year, of nearly a hundred pages, containing extracts from books and articles by well known writers regarding co-operation in general and the store movement in particular, and several original articles by practical co-operators in this province, with appreciative messages from the Registrar of Co-operative Societies and the Director of Public Instruction. The volume is dedicated to the 'Young Co-operators of the Brennen College' in appreciation of the good work done by them and in the hope that 'when they enter life they will do their best to popularise the movement which is fraught with such infinite possibilities for the social and economic uplift of India,' as the President of the Union, Mr. T. M. Kelu Nedungadi, has said in the foreword. Free copies of the volume have been sent to every High School and College in this Presidency and in the States of Hyderabad, Mysore, Travancore, Cochin and Pudukottah. The selections cover a wide range and are

made with considerable judgment and industry. They are very well suited for inspiring and informing the young mind. In bringing out this volume the Union has shown a high type of co-operative idealism.

The Union has been conducting a students' co-operative store from the year 1920. Until the present secretary, Mr. T. Rama Pisharody, assumed charge in 1933, there was nothing remarkable about its working. But he has been able to galvanize it and make it about the best institution of its kind in our province—which illustrates how much the working of institutions depends upon the right type of workers being available. Mr. P. V. Krishna Aiyar, Deputy Registrar, Malabar, says that during the present regime, the activities of the society as well as its usefulness and popularity have increased tenfold.

> "In 1934 it transacted business to the extent of about Rs. 7,000 and earned a net profit of Rs. 530. In the year 1935 transactions exceed Rs. 10,000. (Net profit Rs. 877). Apart from the increase in the volume of business, the number and variety of articles dealt with by the store have increased enormously. It now supplies most of the requirements of the student and the teacher, including sports-goods, dress, college crest, blocks of photographs, prize books and medals and also publishes the College Magazine. The member instinctively turns to the store for satisfying all his needs. There is the minimum of waste and unsold and unsaleable goods. If one sits for an hour or a half in the office of the Secretary just before the College commences its daily work and watches the society at work, he would feel immense satisfaction at the part played by the store in the life of the students of the College."

That the Union may maintain its present idealism and business efficiency and that in this respect other students' stores may emulate it, will be the wish of everyone. The district of Malabar possesses a large number of students' stores and we hope ere long the Tellicherry College Store will take steps to form a kind of Federation so that their common articles of use may be bought at wholesale rates.

Marketing of Oranges.

In an informing speech which Mr. K. Gopalakrishna Raju, Provincial Marketing Officer, Madras, made recently at Anantarajpet in Cuddapah district on the occasion of the opening of the Fruit Research Station, he said that the city of Madras was the biggest market in the Presidency for oranges, that it received during 1934-35 about 90,000 railway maunds of oranges, of which the Nagpur and *Sathkudi*

varieties accounted for as much as 37,360 and 35,000 maunds respectively, that there were periods of scarcity and glut which led to abnormally high and low prices, and that if an association of producers of *Sathkudi* oranges was organised on the lines of the Co-operative Organisation of the California Fruit Growers, it would be able to reduce the glut by developing new markets, reduce the number and charges of middlemen, improve the methods of marketing and also the technique of production and in various ways benefit both the producer and the consumer. Co-operators in Madras, particularly the authorities of the Provincial Co-operative Bank are eager to promote the co-operative marketing of agricultural produce, and if the Provincial Marketing officer will seek the help of the Co-operative Department and of the Provincial Bank in organising the market for *Sathkudi* oranges in Madras, we are quite sure he will meet with a hearty response. The best course would be for the marketing officer to draw up a practicable scheme and get it discussed at a meeting of the representatives of the Co-operative Department, the Provincial Bank and the growers. We shall be glad to render whatever help we can.

Where Chota Nagpur Leads.

One's idea of Chota Nagpur usually is that it is a backward area peopled largely by aboriginal tribes. That may be so, but in certain directions it is showing an earnestness and enlightenment which areas which pride themselves on being advanced will do well to copy. According to Mr. S. C. Mukherjee, Assistant Registrar of Co-operative Societies, Ranchi, who has written a note in the *Bihar & Orissa Co-operative Journal* on the educational work of Ranchi societies, some of the co-operative institutions in that district have kept the ideal of helping education absolutely in the forefront, and if they are not doing more than what they are doing at present, it is not due to lack of keenness but to lack of resources. The leading society in this respect is the Chota Nagpur Catholic Society.

> "It gives a monthly stipend of Rs. 118 from year to year to 5 upper primary and lower primary schools. It has a primary education fund of Rs. 15,605 out of the income of which stipends are given to poor students. During the last year, Rs. 3,048 was thus given away to the poor students reading in primary schools and Rs. 927 to the students reading in the University. It has a higher education fund of more than Rs. 6,000, the income of which is utilised in helping the high schools and all this is a recurring activity.

Mr. Mukherjee mentions several other cases, in some of which the members of societies have contributed not only funds but also free labour for the construction of school buildings. That is a more difficult matter than voting funds from the profits of the society. We heartily congratulate the co-operators of Ranchi on their fine public spirit and commend their example to others.

"The Movement be wound up!"

Notice of the following resolution was given by Mr. S. G. Naik for discussion during the last session of the Central Provinces and Berar Legislative Council :—

> "This Council recommends to the Government that the co-operative movement be wound up and all the Central Banks liquidated, if necessary by advancing a loan up to a sum of fifty lakhs of rupees, which amount shall be recouped in about twenty-five years by the immediate closure of the Co-operative Department."

Unfortunately this and some other resolutions were not reached on the day which was allotted for their discussion and so a lively debate was lost. Before the discussion day strong protests appeared in the local papers. "A Co-operator" wrote in the *Hitavada* :

> "True it is that the co-operative movement has not been as successful as it should have been. Perhaps no movement has. But then what are the reasons? Does Mr. Naik know them? Has he ever been a member of a co-operative society, a director or an office-bearer of any central bank? No, I know he is as innocent of the working of the movement as he is of the drastic consequences of his proposal."

At the same time some of the most prominent co-operators of the Provinces, including Rao Bahadur K.V. Brahma, C. I. E. and others, have given notice to the C. P. and Berar Co-operative Federation of their intention to move the following resolution at the ensuing session of the Federation Congress :

> "This Federation Congress deprecates the attempt being made by some persons in the Legislative Council and elsewhere to run down the co-operative movement even to the extent of asking the Government 'to close down the co-operative movement'. The Co-operative movement is acknowledged all over the world as the best means of ameliorating the condition of the agriculturists in general and of the over-indebted cultivators in particular. Central Banks are again the acknowledged means of diverting the flow of capital into rural channels. This Congress feels that, to say or do anything to impede the working of these nation building institutions, is to court a disaster for those for whom these persons pose to speak.

> This Congress, therefore, appeals to those very persons to abandon their pessimism and defeatism and to support the movement by all means in their power for the benefit of the agriculturists themselves, irrespective of their personal feelings in the matter. The Congress further appeals to the Government, the Hon. Minister for Co-operation and the general public, who have the good of the agriculturists at heart not to be misguided by the interested attitude of persons who, in season and out of season, run down the movement to the incalculable harm to the poor."

Mr. Naik's proposal is not a joke, but is made rashly without a realisation of the consequences and in ignorance of the working of the movement. Seeing how his resolution has been received by the Press, we do not think he will seek another opportunity to move his resolution—unless it be to show that he is rash enough for that too!

Co-operative Education and Non-official Agency.

It will be recalled that the co-operators of this province at their last provincial conference protested strongly against the Government of India not having asked the Local Governments to consult non-official organisations in formulating a scheme for co-operative education, for which purpose the Government of India have made a special grant to Local Governments. We observe that a similar protest was made by the co-operators of Bengal at their last provincial conference which was presided over by Dr. Pramathanath Banerjea, President of the Bengal Co-operative Organisation Society. In addition to the President's strong pronouncement on the subject, Mr. S. K. Lahiri, Secretary of the Organisation Society, made a weighty statement in the course of which he pointed out:—

> "A proper development of co-operative societies can never be brought about by Departmental control and guidance. It is this consideration which has led promoters of the co-operative movement in Western countries to entrust bodies like the Bengal Co-operative Origanisation Society, with such functions as education, publicity, organisation, etc. Government in this country had so far acknowledged the wisdom of such a course. And this policy had the support of various Commissions and Committees that had conducted enquiries into the working of the co-operative movement and suggested lines of reform and progress. If the co-operative movement is to be successful it must be based on popular support and the application of the principles of autonomy and self-help."

Hitherto the Bengal Government were seeking the co-operation of the Organisation Society and giving it a grant for propaganda purposes. Why should there be a change in the policy? What is

particularly regrettable is that the same change of policy is to be observed in several provinces at the same time, so that one is led to infer that it is inspired from a common source. We have heard some officials argue that Government money should be spent only through Government agencies. If this is accepted as a policy, it leads to inefficiency and waste in many cases. Whatever is the best agency for the particular purpose in view should be the one chosen. The co-operative movement being a people's movement depending for its efficiency upon the degree of enthusiasm that is created for it in the members of societies, it is best promoted by non-officials who move freely among the people and who can understand the difficulties of the people better than the officials. We hope the Central and Local Governments will therefore revert to the more sensible former policy.

The Indian Co-operative Review.

We congratulate this excellent quarterly journal, published under the auspices of the All-India Co-operative Institutes' Association and edited by Mr. V. Ramadas Pantulu, on having completed its first year and entered upon its second. There had been a slight change in its form: the size is a little smaller, the paper used is different and the wrapper has been made distinctive. The get up is as attractive as before. The subject chosen for special treatment in this number is Urban Banks. The journal has justified all expectations and come to occupy the foremost place among Indian co-operative journals. Nay—it ranks among the best co-operative journals of the world. Being published from Madras, we have every reason to be proud of our young contemporary.

Government of India's Special Grant.

On the 25th of February last, Mr. A. B. Shetty put the following question in the Madras Legislative Council.

"Will the Hon. the Minister for Public Works be pleased to state

(a) whether the scheme for the training of panchayatdars and supervisors of co-operative societies referred to in the answer to question No. 427 of 4th November 1935 has received the approval of Government;

(b) if so, what the particulars of the scheme are; and

(c) whether the Madras Provincial Co-operative Union was asked to express its opinion on the scheme and, if so, what its views are?"

The answer of the Minister was:

"(a) & (b) A copy of the scheme as accepted by this Government has been sent to the Government of India and is still under their consideration. It is not yet possible to furnish details of the scheme.

(c) The Provincial Co-operative Union accepted the scheme of training proposed for supervisors and panchayatdars."

Question No. 427 of the 4th November 1935 related to the special grant of Rs. 3,59,000 promised by the Government of India for co-operative education and the scheme framed by Government for its expenditure. The answer of Government to Mr. Shetty's question under (c) comes to us as a great surprise, for all along non-official co-operators have been complaining that they have not been consulted in that matter and a resolution was passed at the last Provincial Co-operative Conference (29th September 1935) requesting the Government of Madras to frame their scheme in consultation with the Madras Provincial Co-operative Union. At the conference Dewan Bahadur T. A. Ramalingam Chettiar categorically stated that while in the matter of the training classes for supervisors the Registrar had consulted the Provincial Co-operative Union, he had not done so either formally or informally regarding the scheme for the utilisation of the special grant. After the Conference no consultation has taken place and therefore we are at a loss to understand the Minister's statement.

There has been consultation between the Provincial Co-operative Union and the Registrar for a considerable time regarding the training classes for supervisors conducted by the Training Institutes under the auspices of the Provincial Co-operative Union. On the 23rd June 1935 the Executive Committee of the Provincial Union drew up a revised scheme at the request of the Ramadas Co-operative Institute, Rajahmundry, and on 26-6-1935 it was submitted to Government through the Registrar for their approval. On 16-8-1935 a communication was received from the Joint Registrar containing his remarks on the revised scheme. In his letter he said, "The revised scheme proposed by the Provincial Union fits in, more or less, with my scheme sent up to Government in April last except in one or two particulars. I enclose a note describing the scheme of training proposed for supervisors and panchayatdars." We are giving below the note herein referred to. It contains no reference to the special grant from the Government of India and purports only to improve the system of training supervisors etc. From the details of the scheme it is obvious that it is intended to be financed from the ordinary

revenues of the province. The Executive Committee of the Provincial Union considered this letter on 18-8-1935 and adopted the following resolution, which was duly communicated to the Registrar:

> "Subject to ratification by the Board of Management the new scheme of Training Institutes received from the Joint Registrar is approved and will be worked and that Rajahmundry Institute be requested to make arrangements to start classes by the 15th of September 1935 under the new scheme. The President is authorised to deal with the recommendations regarding staff."

It is a far cry from this resolution to the statement made by the Minister that the Provincial Co-operative Union had accepted the scheme of training proposed for Supervisors and Panchayatdars, in connection with the special grant of the Government of India. We do not know if there is another scheme submitted by the Local Government in confidence to the Government of India, which has not been placed even on the table of the Legislative Council. The non-official co-operators have a legitimate grievance that they have not been consulted in framing the proposals for the utilisation of the Grant.

NOTE—REGARDING THE TRAINING OF SUPERVISORS OF UNIONS AND OF PANCHAYATDARS, SECRETARIES AND CLERKS OF SOCIETIES.

The question of improving the system of training of supervisors, panchayatdars, secretaries and clerks of societies has been engaging the attention of the Registrar for some time past. The following scheme of training is proposed to be instituted in the place of the present scheme.

I. *Training of supervisors* :—

(i) *Selection of candidates*—The number of vacancies of supervisors of unions each year in a district will be decided by the central bank and the local Deputy Registrar a year in advance and the selection of the required number of suitable candidates will be made jointly by the Central Bank and the Deputy Registrar concerned. The candidates should be holders of the S.S.L.C., preference being given to those who come from villages and who have a rural outlook.

(ii) *Preliminary training*—(two months)—The selected candidate will be attached to an experienced supervisor for preliminary training for two months. During this period he will acquaint himself with the working of different types of societies, read the by-laws and the Co-operative Societies Act and the rules and watch the work of a supervisor and assist him in his ordinary duties. He will also study and acquaint himself with the village conditions. After this preliminary training, the President of the Central Bank along with the local Deputy Registrar will

hold a written and an oral examination to test the fitness of the supervisor for rural work. If the candidate passes the test, he will be directed to attend the supervisor's training class in a peripatetic training Institute in the mufassal.

(iii) *Theoretical instructions in the peripatetic schools*—(5 months) —There will be two peripatetic schools, (1) for the northern districts the classes will be held at each centre in rotation, *i.e.*, one session will be held at Rajahmundry, the next at Bezwada and the third at Anantapur in the Telugu districts. (2) In the case of the school in the Southern districts one session will be held at Vellore, the next at Tanjore and the third at Coimbatore. The candidates selected for training in Ganjam, Vizagapatam, East Godavari and West Godavari districts will attend the classes to be held at Rajahmundry, those in Kistna, Guntur and Nellore districts will attend the classes at Bezwada, those in Bellary, Kurnool, Anantapur and Cudappah will attend the classes at Anantapur, those in North Arcot and South Arcot, Madras Chingleput and Chittoor will attend the Vellore class; selected candidates of Tanjore, Trichinopoly, Madura, Ramnad and Tinnevelly districts will go to the class at Tanjore and those in Coimbatore, the Nilgiris, Salem, Malabar and South Kanara will attend the class at Coimbatore. The admission to each school will be restricted generally to 40 candidates. If the number of supervisors selected by the Central Banks in the districts affiliated to each centre of training is not sufficient, the Institute may admit other candidates up to the maximum number of 40 candidates. This restriction of 40 may, however, be relaxed in exceptional cases with the previous approval of the Registrar. There will be a Superintendent (on Rs. 100-10/2-150) in charge of each of the peripatetic school; he will be an M.A. or B.A. (Hons.) (Economics) selected by the Madras Services Commission and appointed by the Registrar. He will be a full-time Government servant, solely in charge of training. The Superintendent will be assisted by two instructors appointed by the Provincial Co-operative Union, their scale of pay being Rs. 55-5/2-70. The Instructors will be paid by the Provincial Co-operative Union and a subsidy will be given by the Government to cover their pay and travelling allowance. A clerk and a peon will also be given to each peripatetic school. The pay of the clerk and the peon, rent for the school building and other contingencies will also be met from the subsidy to be given by Government. The period of theoretical instruction at the Institute will be for five months and instruction will be given in the essential elements of Co-operation, Auditing, Book-keeping and Banking.

(iv) *Practical training*—(two months)—After this theoretical training, the candidates will be given practical training in executive work for two months under the control of the staff of the Peripatetic School, that is to say, they will learn the work of supervisors and do the work themselves—

i.e., organisation and starting of societies, supervision of societies including preparation of property statements and of loan applications and writing up several account books, preparation of annual statements, balance sheets and D.C.B. of loans etc.

(v) *Examinations*—After this period, the candidates will be required to appear for an examination conducted by the Provincal Co-operative Union and only those who come out successful will be eligible for appointment as supervisors.

If the required number of candidates for training as supervisors is not forthcoming on account of the long period of training, the Central Banks may offer them an allowance of Rs. 20 per mensem during the period of preliminary and practical training. It is proposed to obtain from Government a subsidy to cover this allowance.

(vi) *Refresher course*—Refresher courses will be held for supervisors once in six months at the headquarters of Central Banks where discussion on the problems which have arisen in the course of their work will take place. The Sub-Deputy Registrar of the district will test the knowledge of the supervisors in regard to the latest development of the movement and circulars. The classes will last for three to five days and the cost of these classes will be met by the Central Banks.

II. *Training of panchayatdars, secretaries and clerks of societies* :— In addition to the existing arrangement for the training of panchayatdars who assemble at the general meetings of local supervising unions, there will be a Senior Inspector and Junior Inspector for the Tamil districts and another Senior Inspector and Junior Inspector for the Telugu districts to conduct practical training classes for panchayatdars at select centres in the principles of co-operation, maintenance of accounts, preparation of D. C. B. statements of loans, duties and responsibilities of panchayatdars etc. Training work in Malabar and South Kanara districts will be attended to by the Inspectors of the district for two months in the year for which period a temporary addition to the staff of the district will be made. Classes for each district will be held in about seven centres in a year and the inspectors will proceed district by district. In all 150 classes may be held in a year. Each class will cost roughly Rs. 150 and the total cost will be about Rs. 22,500. It is likely that Government may meet one half of this amount subject to a maximum of Rs.12,000 in a year provided the other half is met by the Central Banks concerned. The cost of seven classes in a district will be roughly Rs. 1,050 and the Central Bank concerned will have to meet about Rs. 525 a year for the training. (Central Banks and Federations were incurring more than this amount for the training of panchayatdars up to 1931).

Debt Redemption Schemes

BY SIR M. RAMACHANDRA RAO, Kt.

President, Madras Co-operative Central Land Mortgage Bank.

The question of co-ordinating the activities of the Land Mortgage Banks and the operations of the special officers for granting of loans under the Agricultural Loans Act as now amended has been considered at the Conference held some time ago at the Secretariat. Two special officers have been appointed by the Government as an experimental measure to gain experience of the actual difficulties in tackling the problem of agricultural indebtedness, and are now working in East Godavari and Chingleput districts. It is understood that the amendment of some of the rules under the Agricultural Loans Act and that a larger scheme for starting operations for the relief of indebtedness by Government agency are under consideration. There are, however, some points on which further discussion for co-ordinating the work of the two agencies is desirable. Some understanding on these points has to be arrived at to avoid any conflict or rivalry between the two agencies.

It may be stated at the outset that in taking a loan from the Government, the borrower has certain advantages which are not available to the land mortgage banks. The first is that every borrower who takes a loan from the land mortgage bank has to contribute by way of share capital 1/20th of the loan. A man who borrows has to become a member of the primary bank and take shares therein in proportion to the loan. The primary bank cannot grant any loan without the necessary contribution of share capital from members. Out of the 1/20th of the loan contributed as share capital to the primary bank, about one half is retained by the primary bank as the borrower's share capital and the other half is contributed by the primary bank as its share capital to the Central Land Mortgage Bank, which under the rules is limited, in regard to its borrowing, to 25 times its share capital. This is how the share capital of the Central Land Mortgage Bank and the primary banks is secured. If, for any reason, the loan is not granted, the share capital is returned to the borrower by the primary bank. The contribution of share capital is an essential feature of the land mortgage bank system and cannot be dispensed with. It imposes some amount of financial

burden on the borrowers before obtaining the loan and is intended to secure only *bona-fide* borrowers who are in a position to make the contribution by way of share capital. This contribution is made before the loan is granted. Where the loan is taken from the Government, there is no such financial contribution by the borrower.

Another important difference between the two systems is that the interest charged by the Government to the ultimate borrower is cheaper than the rate charged by the Land Mortgage Banks. The Government now charges 5½ per cent, whereas the primary bank which borrows from the Central Land Mortgage Bank now charges 6 per cent to the ultimate borrower. The Central Land Mortgage Bank has to raise the necessary funds by offering an attractive rate of interest to the general public, which at present is at least half a per cent more than the rate of interest payable on Government securities. The Central Land Mortgage Bank cannot, at any time, even with the guarantee of the principal and interest by the Government, hope to raise funds unless it offers a higher rate of interest than the Local Government and the Government of India. The financial experts associated with the Central Banking Enquiry Committee expressed the opinion that the Central Land Mortgage Bank should raise its funds by offering a competitive rate of interest in the open market. For these reasons, it is necessary to charge a higher rate of interest to the ultimate borrower than the Government is able to do. The present rate of interest charged by the primary bank to the ultimate borrower is 6 per cent. In these circumstances, there can be no doubt that borrowing from Government is certainly cheaper to the borrower though it is by no means clear that the overhead charges for working the scheme will be cheaper under the Government scheme than under the land mortgage banks' scheme. It has been stated that in the East Godavari district where the special officer for loans is now carrying on operations, some of the borrowers are now thinking of discharging the loans to the Land Mortgage Bank at Alamuru and taking a loan from the Government for the same amount in order to take advantage of the cheaper rate of interest offered by the Government. It seems desirable that such developments should not be permitted. Our endeavour should be to spread out the operations of these two agencies for the clearance of debts on as wide an area as possible and not merely to afford facilities to change from one system to another. It is also necessary that the lending rate charged by the two agencies to the

ultimate borrower should be as far as possible the same, namely, 5½ per cent. This can be done if the Government do not insist on contribution by the Central and Primary Land Mortgage Banks for the outdoor staff employed for the investigation of loan applications. If this is agreed to by the Government, the lending rate can be the same under both the agencies.

The third point of difference is that the period of the Government loans is 25 years, whereas it is 20 years in the case of mortgage loans to the Central Land Mortgage Bank. The bye-laws of the Central Land Mortgage Bank and Primary Banks provide for loans for a period of 25 years. But the question is whether debentures for 25 years can be successfully floated. Unless we are fairly certain of success, we cannot put forward debentures redeemable in 25 years. One of the financial experts of the Central Banking Enquiry Committee expressed the opinion that the debentures should be for a period of 25 years but that the loans to the borrowers should be only for 20 years. This is intended to provide for possible failure by the ultimate borrower in some years and if we make the debenture period and the loan period the same, the bank may be inconvenienced in redeeming the debentures. It was, therefore, considered desirable to provide a period of 5 years for possible failures by borrowers in paying their instalments. Investors have always shown a preference for short dated securities.

Another important difference relates to the proportion of the loan and the value of the properties proposed to be mortgaged. The Primary Banks now lend only 40 per cent of the value of the properties as valued by the appraising officers, though under the by-laws they can go up to 50 per cent. In view of the depression and the fall in the value of landed property it was considered necessary that primary land mortgage banks should not lend more than 40 per cent of the value of the properties as estimated by the Sub Deputy Registrars and the result has been justified. The Central Bank's view has been that our attempts should be to get back the money lent, from the income of the land and not to get it by a sale of the properties as far as possible. The Government began with lending up to 66⅔ per cent but it is understood that they have now decided to adopt the same ratio as the Central Land Mortgage Bank *i.e.,* 40 per cent of the value of the property.

The loans below Rs. 2,000 during the half year ending with December 1935 sanctioned by the Central Land Mortgage Bank

amounted to Rs. 5,42,600 and loans above Rs. 2,000 amounted to Rs. 12,28,200. It will be seen, therefore, that the loans below Rs. 2,000 are about 40 per cent of the total loans dealt with by the Central Land Mortgage Bank during the last half year ending with December 1935.

In view of all these circumstances, the following questions arise for consideration :—

i. Should the special officers and the land mortgage banks work side by side in the same area, or should they concentrate their work in different areas ? Should both the agencies grant loans below Rs. 2,000.

ii. Is it desirable that the primary banks should adopt the same rate of interest as the Government ? If the two systems are to work side by side in the same area, a certain amount of rivalry between the two agencies is inevitable, if the rate of interest is different. Is it possible to avoid this rivalry by coming to an understanding as regards the areas in which each of the agencies should continue to work ?

iii. Is it desirable and is it possible for the Central Land Mortgage Bank to raise money for 25 years by the issue of debentures ?

In regard to the first of these questions, it is, in my opinion, desirable that where the Land Mortgage Banks have been fairly established, they should continue to cater to the requirements of the agriculturists and that the Government agency should work in districts where these banks have not as yet been established. For example, there is a bank for each of the taluks in the Coimbatore District and a total sum of over Rs. 11 lakhs has already been lent through the banks established in that district. Similarly, there are six banks in each of the deltaic portion of the East Godavari and Krishna Districts, where they are doing very good work and the sums lent by these banks in each of the districts are about Rs. 11 lakhs and Rs. 5½ lakhs respectively. There are seven banks in Tanjore District where a total sum of about Rs. 9 lakhs has been lent. People have become familiar with the working of these banks and it is desirable that the loaning operations in these districts should be carried on by the same organisation and it seems to me a waste of effort to establish another organisation in these districts for the same purpose. It is true, there is difference in the rate of interest which may be avoided by the Government meeting the cost of the outdoor staff of the Land Mortgage

Banks. If the Government would meet the charges connected with the outdoor staff for the Land Mortgage Banks, it is possible for these banks to adopt the same rate of interest as that of the Government. If, however, the Government are not prepared to meet the charges, will it be possible that loans below Rs. 2,000 may be distributed at 5½ per cent by these banks? Some arrangement may be made for the money being found for these loans by the Government and handed over to the Central Land Mortgage Bank for distribution to Primary Banks. If this scheme is adopted, loans below Rs. 2,000, whether granted by the Government or by the Land Mortgage Banks, will be made at 5½ per cent and loans above Rs. 2,000 will carry 6 per cent interest. But, as I have said, it is possible to adopt the same rate of interest throughout if the Government will meet the charges of the investigation staff, at any rate, for the next three or four years.

The following scheme is suggested for the division of areas between the two agencies:—

(i) *Chittoor District*: No Land Mortgage Bank has yet been started in this district. Proposals are under consideration for starting a bank at Chittor and another in the Chandragiri division.

(ii) *The Ceded Districts*: There are, at present, one bank at Nandyal, one at Hospet in the Bellary District and recently another bank has been started at Rajampet in the Cuddapah District, and another in Dharmavaram in the Anantapur District. The Ceded Districts, viz, Cuddappah, Kurnool, Bellary and Anantapur are in the famine zone of this Presidency, but there are parts in these districts where Land Mortgage Banks are needed. In view of the special conditions of these districts Government may well take in hand the provision of long-term finance on easier terms than those adopted in other parts of the Presidency, both as regards interest rates and also period of repayment. The co-operative organisation in the Ceded Districts is perhaps the weakest part of the co-operative movement. From experience already gained, it is clear that the human element for the successful running of all grades of co-operative organisations is weaker than in the rest of the Presidency. The working of the Central Banks and credit societies is very much more unsatisfactory than in other parts of the Presidency and we cannot rely wholly on co-operative organisations for meeting the legitimate needs of agriculturists. For this reason it will be more satisfactory if a Government agency undertakes this task. On account of the frequent failure

of rains the ryots are not in a position to regularly pay the annual instalments. Even if the loans are granted for 30 years, the Government will be in a better position than any co-operative organisation to suspend the payment of the instalments and to show due consideration to the needs of the ryots. On these two grounds I think that whatever money is available for the purpose under the present scheme may first be devoted to meet the needs of the ryots of these districts.

Then there are other dry areas in the other districts. At the time when Central Land Mortgage Bank was established, we were instructed by the Government that we should first start banks in the wet areas. The reason for this is that the ryots in the wet areas are likely to be more certain of a crop every year so that there may be no failure on their part in paying their instalments to the bank. The primary banks were, therefore, not started in the dry taluks of several districts till further experience has been gained. Moreover, the ryots in the dry taluks do not require such heavy sums by way of loans as the ryots in the two taluks. Banks have not been started in non-deltaic portions of the Vizagapatam, East Godavari, West Godavari and Kistna Districts and also in taluks like Pattukottai in the Tanjore District. Similarly banks have not been started in some dry taluks of the Chingleput and in the Central Districts like the South Arcot and North Arcot. Government's effort in providing long term credit may first be directed to these areas. Even in these areas it is easier for the Government to suspend, if necessary, the payment of instalments than for the Central Land Mortgage Bank to do so. In the latter case the bank has to meet its obligations to debenture-holders regularly.

(iii) *Madura, Ramnad and Tinnevelly Districts*: The ryots of the Periyar Delta in the Madura district and under the Tamraparni valley in the Tinnevelly district have not been adequately financed by the Land Mortgage Banks. There are, at present, only three banks in the Madura district, two banks in the Tinnevelly district and two banks in the Ramnad district. These areas have to be developed fully and the influence of the Kalladaikurichi money lenders referred to in the report of the Provincial Banking Enquiry Committee in these districts has to be combated. This may be done by the Government agency.

(iv) No banks have yet been started in Malabar and South Kanara. The question of starting banks in these two districts has been under consideration for some time and the difficulties arising from land tenures and the personal laws have been explored. I think it is possible

to get over these difficulties by legislative protection to the Land Mortgage Banks which will be shortly submitted to the Government. Of these two districts, the Malabar district is a very rich country where, I understand, there is need for long-term loans. If the Government confine their operations to the districts above mentioned and the Central Land Mortgage Bank operates in the rest of the presidency, it will avoid not only duplication of work but also ideas of conflicting interest. But I suggest that Government's operations should first be confined to the districts above mentioned in which Land Mortgage Banks have not yet been either established or are just being established.

If Government, however, desire to start operations also in the districts in which Land Mortgage Banks have already been established, it is perhaps desirable that whatever funds are available may be disbursed through these banks instead of starting another agency for this purpose. Government may assist the banks by additional staff, by purchase of debentures and by asking the banks to adopt the same rate of interest agreed upon between the Government and the Central Land Mortgage Bank.

From the statement made by Sir Charles Souter in the Legislative Council, Government's intentions in regard to debt redemption are not quite clear. What is the amount that will be spared for the purpose? Do the Government intend to carry on these operations in future years? In a consideration of the problem of agricultural debt, these questions are very relevant. So far as the Central Land Mortgage Bank and its affiliated organisations are concerned, they are a permanent feature of the agricultural credit of the province and any measure that is set up for this purpose should be on a permanent basis and should be continuously pursued. Any temporary effort now being made by the Government to supplement the efforts of these banks should not disturb their continuous development. I was, therefore, surprised to learn that the Government, contrary to the assurances given at the conference held at the Secretariat, propose stopping the organisation of new banks and the recruitment of the necessary staff for new banks for 1936-37. This question requires reconsideration on broad lines of policy. There have been complaints that the establishment of primary banks has been far too slow and even if the Government grant loans up to Rs. 2,000 the needs of the borrowers for loans of Rs. 2,000 and more up to Rs. 10,000 have to be met by the establishment of Land Mortgage Banks. Moreover, there is the question of the establishment of Debt Conciliation Boards. I do not know to what extent the policy of debt conciliation boards will be pursued. But it is clear that where-ever there are debt conciliation boards, there must be supplementary machinery for providing credit for clearing the debts as settled by these boards. On this ground also there should be no break in the continuous development of Land Mortgage Banks throughout the Presidency.

The Madras Debt Conciliation Bill

By Dewan Bahadur T. A. Ramalingam Chettiar, B.A., B.L., M.L.C.

The Bill was passed by the Legislative Council after a long delay of nearly three years. The Government was opposed to it from the very beginning and they denied all facilities for the Bill. Even after the present Law Member assumed office, the Government was obstructing. It is an open secret known to the members of the Legislative Council that the Government wanted to oppose even the reference of the Bill to a Select Committee, and it was only the attitude of some of the members of the Justice Party that made the Government remain more or less neutral at that stage. Then the device of appointing a Special Officer was resorted to. His report made it impossible for the Government to continue their opposition to the Bill. The facts he mentioned were too strong and too pressing even for the Madras Government. So I was amused to find that one of the Madras dailies adopted the remark of the Hon. the Law Member in the Legislative Council that I was not graceful in accepting the help rendered by the Government.

Another point I stressed in the Legislative Council does not seem to have attracted as much attention as it should. The Bill was introduced by me at a time when the only measure of relief to agriculturists to meet the depression passed in India was the Central Provinces Debt Conciliation Bill. I also stated that I had to adopt the idea and the wording of the Central Provinces Bill, as I feared that otherwise there may be opposition from the Government and the interested parties, as my bill was a non-official bill. Since then many Local Governments and Indian States have passed measures of relief for agriculturists. I have been pressing on the Government many times both in the Council and elsewhere that the Government should undertake legislation and offer other reliefs to the ryots in this time of need. The Government has not cared to do anything except for the one relief, which I refer to later, for which we are no doubt grateful. Even in the Select Committee and in the Council I appealed to the Government to bring in a Government Bill granting agricultural relief to the ryots on the lines on which other Governments have granted relief. But there has been no response. As my bill was a non-official bill it was easy for the Government always to have the provisions attenuated so as to meet their wishes and I had to yield at every turn as otherwise even this Bill would not be passed.

ORIGINAL BILL.

As originally framed, the Bill was for the appointment of conciliation boards before whom the procedure will be simple and informal and every matter will be adjusted by mutual consent. It was practically an idea of a standing Panchayat to help in the decision of disputes. The boards in the Central Provinces are working more or less on these lines. For this, I said in the beginning that financial backing was necessary and without it it would not be possible to relieve even a respectable number of ryots. It is to the credit of the Hon. the Revenue Member and the Hon. the Finance Member that they came to the rescue and proposed that the Government itself may help the poorer ryots, if their debts were conciliated to a figure not exceeding Rs. 1,000—now raised to Rs. 2,000. The country is indebted to the Special Officer, Mr. Sathianadhan, who reported how utterly helpless the ryots were and postulated the need for the Government undertaking responsibility, at least with reference to the poorer ryots, and to the two European Members of the Executive Council.

'RENT' EXCLUDED FROM 'DEBTS'.

Now coming to the changes made in the Select Committee and in the Council, the biggest change made is, as I said in the Council, the taking away rent from the category of debts—with the result that the tenants in Zamindari areas will be denied what benefit the Bill can give them. In the Zamindari areas the tenants are largely in arrears and the rent they have to pay is a considerable portion of the debt they owe. Such being the case, if there is no conciliation with reference to the rent, they cannot come for relief at all. It may also be noted that for rent the Zamindar has got a charge on the land. In the Central Provinces, it is said, that one of the difficulties felt in the working of the Debt Conciliation Boards is the fact that the mortgagee is free to pursue his remedies in the ordinary way even when some or all the other debts are conciliated and, I believe, there is a Bill before the Central Provinces Council to make the mortgagees, also amenable to the arrangements by conciliation. When it is so with reference to the mortgages, which are included in the term 'debt' in the Central Provinces Act, it may well be imagined what the result will be as regards persons in arrears of rent under the bill now passed in Madras.

AMENDED PROCEDURE COMPLICATED AND FORMAL.

The procedure before the Board has been made complicated and formal by the amendments made, in the Select Committee and in the

Council. A schedule of debts and a schedule of assets, have to be prepared in each case. The Board is given wide powers to pass decisions as to the validity and amount of the debts. They are also given power to decide about the rights of debtors to property in the framing of the schedules. These are very complicated matters. The decisions with reference to these matters are binding on the parties and in some cases even on outsiders. By this practically a parallel procedure to the provisions of the Insolvency Acts is brought into existence by this Bill. The only difference is that under the Insolvency Acts the Official Receiver or the Official Assignee sells the property and distributes the proceeds, while here the parties themselves are asked to come to an agreement so that something may be saved for the debtor's family. There is a provision also made that the Board shall not recognise a conciliation under which more than twice the principal is given to any creditor. Also a number of matters are specified which ought to be considered by the Board when it issues a certificate stating which of the parties was responsible for the conciliation falling through. These provisions while they are unexceptional, introduce a sense of formality and legal procedure into the working of these Boards. These are the main changes in the Bill.

MINOR CHANGES.

There have been a few minor changes, as in the constitution of the Board whose number is restricted to three and the chairman is to be a person who holds or who has held an office not lower in rank than that of a Deputy Collector or a Subordinate Judge. Power is given to the Government to abolish Boards constituted and re-appoint them. The provisions that, during the pendency of proceedings before the Board, filing or trial of legal proceedings in courts is stayed and that the period taken by the proceedings before the Board should be excluded in the computation of time for limitation, are made clear. A period of one year is fixed for the termination of the proceedings before the Board so that if a matter is not conciliated within one year, the parties are at liberty to go to the courts for the ordinary remedies. Specific provision is made for serving notice on the affected parties on all important occasions. These provisions are necessary in what has become a judicial procedure but they are bound to cause delay and to a certain extent make it difficult for conciliation to be made.

The country has been looking forward for some immediate relief to the ryot, who, is badly burdened to support all the others. His

land and his produce have gone down in value; all the same he has to pay to the Government and to the money lender the same amount as before, which really means about twice in actual value in terms of produce or land. The salaried officers of Government are if anything better off by the low prices prevailing in the country. Our province is mainly agricultural and the ryots and those who depend on them form about 80 per cent of the population. I do not think the ryots have received all the attention that we should give them, much less the reliefs they are entitled to. This Bill provides only a machinary for the creditor and the debtor to come together and to try to arrange among themselves for their mutual benefit. With the backing now promised by the Government and that available through the Land Mortgage Banks, some ryots may be saved—if they will be solvent in ordinary circumstances, and their present misfortune is due to the present depression and the want of purchasers and the low prices, and if the creditors are reasonable. More than that the Bill does not pretend to do. There is very much more to be done if the ryot has to be helped.

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Co-operative Societies and Law of Limitation

By Mr. M. S. Narasimha Rau, B.A, B.L.,
Director, N. D. C. B. Union, Ltd., Nellore.

It was for a long time assumed that the law of limitation had no application to proceedings taken by Co-operative Societies for the enforcement of contracts entered into with them by the members. On the basis of such an assumption, arbitration references used to be filed in respect of time-barred personal security bonds and mortgage deeds, and the arbitrators whether official or non-official, who disposed of these references, used to pass awards in spite of the time-barred nature of the claims. Several such awards have been executed and claims realised. It cannot be said that such an assumption was an entirely mistaken one. The law of limitation expressly relates only to suits and appeals and other proceedings in Civil Courts of Law and not to proceedings in the nature of arbitration references. Sections 3 and 14 of the Limitation Act are clear on this point. Obviously the bar of limitation cannot therefore be levelled against references submitted to arbitrators. It may also be seen that when the parties submit their disputes to arbitrators, constituting them as a sort of a domestic forum, the dispute becomes purely a domestic one, and the technical rules of procedure and of limitation cannot be regarded as applicable to them. There is therefore nothing wrong in principle in thinking that limitation cannot affect proceedings before arbitrators.

However reasonable and equitable it may be to consider that the claims before arbitrators are immune from the law of limitation, it has now been made abundantly clear by judicial pronouncements and otherwise that a submission to arbitration does not *per se* exclude the right of either party to raise the defence of the statute of limitations. If authority were needed, it is enough to refer to the case decided by the Privy Council in 66 M. L. J. page 614 (Ramdatta Ramkishan Doss *v.* E. D. Sasson) wherein their Lordships of the Privy Council in an appeal from the decision of the High Court of Calcutta, definitely laid down the principle that despite the fact that section 3 of the Limitation Act has in view only proceedings of the law courts and makes no reference to arbitration proceedings, still it is open for either party to raise every defence before an arbitrator which can be raised in a regular court of law. Quite apart from judicial authority, a reference to the Co-operative Societies

Act itself will also make it clear by implication, that the law of limitation was not intended to be excluded in respect of transactions entered into by societies. It will be seen that whereas under sections 29 and 30 of the Co-operative Societies Act, (Madras Act VI of 1932) transactions of co-operative societies are exempted from certain compulsory provisions of the Registration Act, the Stamp Act and of the Income-tax Act, there is nowhere any provision exempting such transactions from the law of limitation. The only construction that can therefore be placed is that the legislature did not intend to exempt the transactions of co-operative societies from the penal provisions of limitation. It is therefore idle for the co-operative societies to lull themselves into a false sense of security by considering that they could afford with impunity to allow claims to get time barred. The directors of societies must be made to feel that any omission on their part to prosecute their claims within the time allowed by the law of limitation, whether such omission be deliberate or negligent, would land them in the risky ground of surcharge, to which they may be made liable under section 49 of the Co-operative Societies Act.

It is a common circumstance in rural societies that several claims have been allowed to get time barred either by the negligence of the Panchayatdars in not filing references in time or by their not executing the awards in time. A reference to the inspection notes drawn up by the departmental officers on the working of several societies inspected by them amply bears out this. Supervisors and Inspectors must make it clear to the office bearers of societies that they should be very careful in this matter and must keep an ever vigilant eye. They must intimate to the office bearers that the period of limitation for filing a reference on a personal bond or executing any award is three years from the date of the bond and the date of the award respectively. The limitation for filing a reference in respect of a mortgage bond however is twelve years from the date of the bond. The supervisors may also usefully tell the office bearers that if before the expired period of limitation, an acknowledgment of liability in respect of the claim has been made in writing, signed by the party against whom the right is claimed or by some person through whom he derives liability, a fresh period of limitation shall be computed from the time when the acknowledgment was so signed. The word "signed" means "signed either personally or by an agent duly authorised." In the case of an execution application, when such an application is at any time filed, time runs for a subsequent application, from the date of disposal of the prior application, to a period of three years thereafter. An award must, under any circumstances be executed only within twelve years after the passing of the award. Thereafter, the decree-holder cannot execute it. The Supervisors and Inspectors must make it a point in their inspection to impress the above facts on the office bearers of societies.

Whatever the rice used for cooking, the congi water should not be strained off but should be absorbed entirely in the food. This is the result of all the experiments conducted up till now.

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Collector Not a Court: High Court Decision.

IN THE HIGH COURT OF JUDICATURE AT MADRAS.

PRESENT:—MR. JUSTICE CORNISH.

Abdul Razack Sahib ... Appellant* (Defendant).

v.

Kilpatti Co-operative Society by President Krishna Reddi, and another ... Respondents (Plaintiffs).

Co-operative Societies Act (II of 1912), S. 33 (1)—Statutory rules R. 14 (5)—Decision against member by Registrar of Societies—Application for enforcement to Tahsildar—Delay more than 3 years—Fresh application to Civil Court under the rules—Whether the application is barred—Tahsildar not a Court.

There being nothing in the Co-operative Societies Act, Rules to indicate that the Collector is to be deemed to be a Court, he is not a Court when acting under R. 14, (5) of the Statutory rules. It follows a Tahsildar deputed by the Collector to act under it is equally not a Court.

A Co-operative Society obtained a decision against a member in the Court of the Assistant Registrar of Co-operative Societies under S. 43 (1) of the Co-operative Societies Act. The decision was sent to the Tahsildar for enforcement under the statutory rules framed by the Government. The decision of the Registrar was given on 19th July, 1926. Requisition to the Tahsildar for enforcement was sent in June, 1927 and was kept by him till 23rd December, 1930, when application was made to the Civil Court for enforcement under the rules. On the question whether the second application for enforcement was out of time.

Held, that the application was barred as the previous application was made to the Tahsildar who could not be deemed to be a Court.

Bhagwan Das *v.* Suraj Prasad, (1924) I. L. R. 47 All. 217 applied.

Appeal against the Appellate Order of the Court of the Subordinate Judge of Vellore dated 21st April 1932 and made in A. S. No. 83 of 1932 (A. S. No. 177 of 1931 on the file of the District Court, North Arcot), preferred against the order of the Court of the District Munsif of Tiruppattur dated 22nd June 1931 and made in R. E. P. No. 152 of 1931 (Kilpatti Co-operative Claim No. 268 of 1926 (*a*).

K. Rajah Aiyar and *K. S. Rajagopalachari* for Appellant.

V. N. Chockalinga Mudaliar for Respondents.

*C. M. S. A No. 184 of 1932.

The Court delivered the following

Judgment :—The appellant is a member of the Kilpatti Co-operative Society. The Society obtained a "decision" against him in the court of the Assistant Registrar of Co-operative Societies. This procedure took place by virtue of the rules made by Government under powers of S. 43 (1) of the Co-operative Societies Act. The decision was sent to the Tahsildar for enforcement. This was in accordance with R. 14 (5) of the statutory rules, which says :—The decision shall be enforced in either of these ways :—

(*a*) on a requisition to the Collector of the District or to any person authorised by him in this behalf made by the Registrar of Co-operative Societies, all sums recoverable under the decision shall be recovered in the same manner as arrears of land revenue.

(*b*) On application to the Civil Court, having jurisdiction over the subject-matter of the decision that Court shall enforce the decision as if it were a decree of the Court.

Admittedly, the Tahsildar was the Officer deputed to act in this behalf by the Collector. The decision of the Registrar was given on 19th July, 1926. The requisition was sent to the Tahsildar in June, 1927 and kept by him till May, 1929, when he returned it. There was then another long interval until 23rd December 1930, when application was made to the Court, that is to say, the Munsif's Court, to enforce the decision. Two points were taken in the lower Courts, and they were the principal subject of argument in this appeal. First, it was contended that the second application was misconceived, having regard to O. 21, R. 16, Civil Procedure Code. Apparently, between the date of the obtaining of the decision and the date of the filing of the second application there had been a change of Presidents of the Society, the first President having died and been succeeded in that office by another. The argument was that there had consequently been a transfer by operation of law and that therefore application to execute should have been made to the Court which passed the decision *i. e.*, the Registrar's Court. But I think that there is no substance in this point ; firstly because the statutory rules give no power to the Registrar to enforce a decision and, secondly, because the proceedings were brought by the Society and in the name of the Society, acting through its President, and consequently, there was no question of the second President, whose name was transposed for that of the first President, being his legal representative.

A more substantial question raised in the appeal is whether the second application was out of time. It certainly was unless Art. 182 (5) (b) of the Limitation Act saves it. Both the lower Courts held that the bar was saved on the ground that the Tahsildar was within that provision "the proper Court for execution."

In my opinion neither the Tahsildar, nor the Collector by whom he was authorised to act, was a Court. Reference may be made to the analogous provisions of Ss. 68 and 71 of the Civil Procedure Code which enable decrees to be transmitted to a Collector for execution. S. 71 says that in such matter the Collector shall be deemed to act judicially. But it has been held in *Bhagwan Das* v. *Suraj Prasad*[1] that this does not mean that the Collector is a Court. I follow this authority; and there being nothing in the Co-operative Societies Act rules to indicate that the Collector is to be deemed to be a Court, I hold that he is not a Court when he acts under R. 14, (5) (*a*). It follows that the Tahsildar is equally not a Court.

The application was therefore barred, and this appeal must be allowed with costs throughout.

Appeal allowed.

REFLECTIONS ON THE DECISION.

I

The Rule XV (7) cl. (*b*) of the Rules under the Madras Co-operative Societies Act is to this effect: "On a requisition to the Collector of the District or to any person authorised by him in this behalf, made by the Registrar of Co-operative Societies, all sums recoverable under the decision or award shall be recovered in the same manner as arrears of land revenue."

Before the Amended Act, the old rule 14 (5) (*a*) corresponded to the above rule. Formerly, the Registrar had no power to execute the decision or award himself. He could either send it to the Collector, or the decision could be enforced through a Civil Court. Now Rule XV (7) cl. (*a*) gives power to the Registrar himself to enforce the decision in the manner prescribed in Rule XXII. The powers given to the sale officer for distress, seizure, and sale of moveable property and for attachment and sale in the case of immovable property are sufficiently wide and the proceedings can be had under rule XXII without undue delay, and with the same efficacy as in the case of collection of arrears of land revenue by the Tahsildar or Collector. The Co-operative Department being a branch of the Government may also be expected to enforce the decisions or award of the Arbitrators with the same thoroughness and quickness as the Revenue Department. It therefore appears to me that this additional method of execution through the Revenue Department, provided by the Rules may be disallowed without serious detriment to the societies.

The recent decision[2] of Justice Cornish of the Madras High Court makes the removal of cl. (*b*) in Rule XV (7) an urgent necessity. His Lordship has held in this case that an application for execution to

[1] (1924) I. L. R. 47 All. 217.

[2] See pages 445 to 447.

the Revenue Department is not an application for execution to the "proper court" within the meaning of the Art. 182 (5) (*b*) of the Limitation Act, and the pendency of proceedings for execution in the Revenue Department will not save the bar of limitation. The Kilpatti Co-operative Society, which tried to realise an award through the Tahsildar, who returned the same after keeping it on his file for over 2 years without realising a single pie, found that it had not applied to the proper court, when its later execution petition, for enforcing that award in a Civil Court, was held to be barred by limitation.

The co-operative societies in the province may also take a lesson from this proceeding.

One cannot help feeling that sufficient care and attention have not been bestowed on the drafting of the Rules under the Co-operative Societies Act, and it is a misfortune that Rule XV (6) should debar legal practitioners from appearing in proceedings before the Registrar, especially when he has been clothed with all the powers that Civil Courts are now exercising. Want of legal training in the officers of the Co-operative Department to whom judicial powers have been given under Rule XXII is another defect that requires immediate remedy. The articles of Mr. P. K. Srinivasaragavacharya, Mr. E. S. Sunda, and of the present writer, which have been appearing in this Journal on various occasions will have shown clearly the urgent need there is for a revision of the Rules by an expert committee of Lawyers, who have had experience in the working of the Act and the Rules in relation to societies in this province.

G. SWAMINATHAN.

II

The judgment* of Mr. Justice Cornish sets one thinking as to what its effects would be on execution proceedings pending before the Registrar of Co-operative Societies of the Districts acting under section 28 of the Co-operative Societies Act. Following the judgment of the Allahabad High Court in LXVII Allahabad 217 His Lordship holds that neither 'the Tahsildar nor the Collector by whom he was authorised' to execute the decree was a court and that Art. 182 of the Indian Limitation Act not being applicable to such proceedings, the application under consideration was barred.

The facts of the case were as follows. On 19-7-1926 the Kilpatti Co-operative Society, North Arcot District obtained an award in the Court of the Assistant Registrar of Co-operative Societies. The decision was sent to the Tahsildar who had been authorised by the Collector, for execution. This was in June 1927. It was kept pending by the Tahsildar till May 1929 and was then returned. On 23-12-1930 an application

* See pages 445 to 447.

was made to the District Munsiff of Thiruppathur for executing the award. Among other contentions the defaulter stated that the application was barred by limitation. The High Court upheld his contention on the ground that Art. 182 (5) of the Indian Limitation Act was inapplicable to such cases since there was no previous petition to any court within three years prior to 23-12-1930.

Under Act II of 1912 and the rules framed thereunder the Collector was authorised to execute awards obtained by registered societies. Rule XIV says "The decision or award shall be enforced in either of these

(a) On a requisition to the Collector of the District or to any person authorised by him in this behalf, made by the Registrar of Co-operative Societies, all sums recoverable under the decision or award shall be recovered in the same manner as arrears of land revenue.

(b) On application to the Civil Court having jurisdiction over the subject matter of the decision or award that court shall enforce the decision or award as if it were a decree of the court."

Act VI of 1932 and the rules framed thereunder make the decision or award executable by the Registrar of the District also. Section 28 says "whenever a decree or order of a Civil Court, a decision or award of the Registrar or arbitrator or an order of the Registrar or the Liquidator is obtained by a Registered society for the realisation of money the Registrar or any person subordinate to him empowered by the Registrar may—recover the amount etc."

Rule XV (7) says

"The decision or award shall be enforced in any of these ways :—

(a) On an application to the Registrar of the District, in which the cause of action arose, the decision or award shall be enforced as provided in rule XXII.

(b) On a requisition to the Collector of the District or to any person authorised by him in this behalf, made by the Registrar of Co-operative Societies, all sums recoverable under the decision or award shall be recovered in the same manner as arrears of land revenue.

(c) On application to the Civil Court having jurisdiction over the subject matter of the decision or award, the court shall enforce the decision or award as if it were a final decree of the court."

It may here be seen that beyond the introduction of the Registrar of the District as another person to execute the awards or decisions, the Legislature has not in any way materially changed the language of Rule XIV of Act II of 1912. It is also to be noted that the language of sub-rule 7 to rule XV of Act VI of 1932 does not in any way denote that a

Collector acting under the same rule is any way different from the Registrar except that with regards the proceedings to be followed by the Registrar rule XXII has to be followed.

In sections 68 to 71 of the Code of Civil Procedure, the Legislature has provided for the execution of decrees passed by civil courts through the Collector. Section 71 says that the Collector and his subordinates while executing decrees shall be deemed to be acting judicially. The procedure to be followed by the Collector in executing the decrees is laid down in Schedule III. In XLVII Allahabad 217 at 223 it is said 'The Collector is not a court executing the decree. He is nowhere mentioned as a court and the Legislature therefore found it necessary to say specifically that when a collector exercises his jurisdiction in the matter of the execution of decrees he should be deemed to be acting judicially.' This observation is relied on by the learned Judge in LXX M. L. J. 31 for holding that proceedings before the Tahsildar authorised by the Collector to execute decrees or awards obtained by registered societies do not come within the purview of Art. 182 (5) of the Indian Limitation Act, since they are not applications to a court and hence are not sufficient to save limitation.

This decision raises a question which is very important from the stand-point of every co-operative society. After the Government passed the rules relating to the execution of decrees obtained by societies through the Registrar, many decrees which were pending execution in civil courts were transferred to the file of the Registrars of the Districts. Decrees which have been obtained in civil courts, whether mortgage decrees or money decrees, have some of them been transferred to the Registrar's file and many others taken to the Registrar's without transfer, and petitions for their execution filed before him. There are many mortgage decrees in which personal remedy has not become barred. Difficulties can arise in the following cases.

i. Where after exhausting all the remedies available against the properties of the defaulters, in cases of simple money decrees there still remains money to be realised by the arrest of the defaulter and applications have to be made to the civil courts for that purpose.

ii. Where after selling the hypotheca in mortgage decrees passed by civil courts the necessity for obtaining personal decree against the defaulter arises.

iii. Where pending execution of decrees passed by civil courts the defaulter dies and his legal representatives have to be brought on record.

iv. Where after immovable properties have been purchased possession is not peacefully given to the purchaser and the remedy provided for in rule XXII (12) has to be resorted to.

Conceding for the sake of argument that the Registrar has under the Act powers to execute mortgage decrees, distinction has to be made between cases where decrees of civil courts are received by the Registrar by transfer and cases where without that formality decrees are taken directly to the Registrar for execution. The well understood principle of law with respect to the execution of decrees passed by civil courts is that laid down in section 38 of the Code. That section says,

'A decree may be executed either by the Court which passed it, or by the court to which it is sent for execution'. An exception is made by the Rules under the Co-operative Societies Act in cases where awards are sought to be executed by societies in civil courts. It is said that they can directly be taken to the civil courts and that the civil courts shall execute them as if they are final decrees of these courts. The principle on which such a rule has been made is quite understandable. As soon as awards are given the tribunals passing them become *functus officio* and cannot be thought of as Courts that passed the decrees or awards any longer. Section 28 no doubt invests the Registrar with jurisdiction to execute decrees of civil courts for the realisation of money, but it does not expressly or by implication say that the provisions of section 38 of the Code of Civil Procedure can be set at nought even in respect of decrees passed by courts to which the Civil Procedure Code applies. This contention gains strength especially when it is considered that the rule making authority has in one portion of the rules contemplated the difficulty of executing awards without a formal transfer and has framed a rule dispensing with it. At least as far as our High Court is concerned it is well settled that unless and until a decree is transferred as per the provisions of the Civil Procedure Code, the only court competent to execute it is the court that passed it. In a Full Bench case reported in LV Madras 801, LXII M. L. J. 687, XXXV L. W. 742 this question was considered. The case there was as follows. The mortgagee obtained a final mortgage decree in the court of the District Munsiff, Melur in respect of properties part of which were situated within the jurisdiction of that court and part within the jurisdiction of the District Munsiff's Court of Madura Town. Subsequent to the passing of the decree there was a notification by the High Court rearranging the jurisdiction of the District Munsiff's Court in the District, the result of which was that the suit properties came within the jurisdiction of the District Munsiff's Court, Madura Taluk. On 27-12-1927 the mortgagee filed an execution application in the Court of the District Munsiff of Madura Taluk without applying for a transfer of the decree from the Melur Court. The Melur Court continued to exist. Their Lordships held that unless the decree was transferred the District Munsiff of Madura Taluk had no jurisdiction to execute the decree. Without further discussing the matter it can be safely said that in cases where

decrees of civil courts are without transfer being or have been executed by societies through the Registrar of the District, the proceedings before the Registrar are without jurisdiction and hence the question as to whether such proceedings can save limitation does not arise since Article 182 is applicable only in cases where proceedings are conducted by tribunals which are vested with jurisdiction. Acts without jurisdiction are mere nullities. A. I. R. 1923 Cal. 619. The want of jurisdiction can be taken cognisance of at any stage. 1921 U. B. 15 and civil courts can question the validity of such acts XLVIII M. L. J. 204.

In 1923 Calcutta the correct principle of law is enunciated at page 619 as follows: "It is an elementary principle of law that if a court had no jurisdiction over the subject matter, its judgments and orders are mere nullities, and may not only be set aside at any time by the Court in which they are rendered, but be declared void by every court in which they are presented. If a court has no jurisdiction its judgment is not merely voidable but void and it is wholly unimportant how precisely certain and technically correct its proceedings and decisions may have been; if it had no power to hear and determine the cause, its authority is wholly usurped and its judgment and orders are the exercise of arbitrary power under the forms but without the sanction of law. These principles apply not only to original courts but also to courts of appeal. Accordingly where an appellate court does not possess jurisdiction to review the action of the Courts below, jurisdiction cannot be conferred upon it by consent of parties; and any waiver on their part cannot make up for the lack or defect of jurisdiction. This view has been recognised by the Judicial Committee in Ledgard *vs.* Bull, IX All. 191 (P.C). and Minakshi Naidu *vs.* Subrahmanya Sastry, XI M. At page 622 (2) they say 'it is impossible for us to hold that section 21 debars the defendants from questioning the validity of the execution sale which is the root of the title of the plaintiff. When the judge has no inherent jurisdiction over the subject matter of a suit, the parties cannot by their mutual consent, convert it into a proper judicial process etc.'

Coming to cases of which the Registrar is seized by virtue of transfer, in cases of decrees passed by or awards once executed through the civil courts, and those cases where awards are being directly presented to the Registrar, it would appear that the ruling of the Madras High Court in LXX M.L.J. 31 would ignore the proceedings before the Registrar altogether in computing the period of Limitation. The only ground on which His Lordship is pleased to hold that proceedings before the Tahsildar do not save limitation is, that the Tahsildar is not a court and that Article 182 applies only when the proceedings have been before a court. The term 'Court' has nowhere been defined by the Legislature. However in XLI L.W. 503 their Lordships Curgenven and Cornish, J. J.

have after reviewing all the authorities on the subject laid down the definition of a 'Court'. There they say at page 511 'To summarise the effect of these decisions, it would seem that we have to look not to the source of a tribunal's authority, or to any peculiarity in the method adopted in creating it (though it is undoubtedly a consideration that it derives its powers mediately or immediately from the Crown) but the general character of its powers and activities. If it has power to regulate legal rights by the delivery of definitive judgments, and to enforce its orders by legal sanctions, and if its procedure is judicial in character, in such matters as the taking of evidence and the administration of the oath, then it is a court.' Nowhere has the Registrar been empowered to administer oaths in the course of execution proceedings or to adjudicate on the claims of parties by pronouncing definitive judgments or orders. His duties and powers are laid down in rule XXII. All that the Registrar is asked to do is to verify the correctness of the particulars in the application, prepare a demand notice in writing in duplicate in the form prescribed by the Registrar, setting forth the name of the defaulter the amount due and forward it to the sale officer. Thereafter the sale officer gets jurisdiction to proceed with the execution and even the investigation of claims (conceding it to be a judicial proceeding) is to be made only by the sale officer acting under subrule 17 (*a*) to rule XXII.

In XVI Allahabad 228 the question arose as to whether under section 258 corresponding to rule 2 of order XXI of the Code of Civil Procedure of 1908, payment out of court of amounts due under the decree has to be certified to the Collector to whom such decree has been transferred for execution under section 320 corresponding to sections 68,70 and 71 of the Code of Civil Procedure 1908. At page 230 His Lordship observes, "Now, in the first clause of section 258, it is provided that when money is paid out of *court* in part satisfaction of a decree, the decree-holder shall certify such payment to the *court* 'whose duty it is to execute the decree.' The question that arises is, what is the court indicated by these last words? To ascertain this it is necessary to refer to section 320 of the Code of Civil Procedure, in as much as it was strenuously contended before me that the Collector in such a case as this, is no more than a ministerial officer of a civil court, and has no duties to perform beyond selling the property ordered for sale. Now a perusal of section 320 shows to my mind that that which is under its provisions transferred to the Collector is not the mere duty of selling the property *but the execution of the decree* ordering a sale of property. And in fact the object which the Legislature had in view in enacting section 320 and the following sections was to preserve from sale as far as possible, property which a civil court had ordered to be sold. When a civil court so transfers a decree all proceedings in execution in that court

come to an end for the time being, the whole execution having been transferred to the Collector. Such being the case, it appears to me that when once a Collector has so received a decree for execution under section 320 it becomes his 'duty' to execute that decree, and that in fact as long as the decree remains in the hands of the Collector he, and he alone can execute it." This was followed in XXXV Bombay 516 where it was held that intimation to the Collector who was in charge of the execution, amounted to due certifying, which satisfied the conditions of section 258. In XXXVII Bombay 488 at page 490 it is said 'So long as the execution of the decree is in the hands of the Collector, he alone can execute it in accordance with the rules made by the Local Government. He is not a ministerial officer charged with the duty of selling property under the directions of the court, but the whole execution of the decree is transferred to him, and the court cannot interfere or exercise any of the powers conferred on him.' It is to be noted how carefully in all these decisions their Lordships avoid calling the Collector a 'Court'. The language of order XXI, rule 2 (corresponding to section 258 of the Code of Civil Procedure) contemplates the filing of a certificate in a *Court* executing the decree and the rulings in XVI Allahabad and XXXV and XXXVII Bombay cannot easily be understood unless it were taken for granted that those learned Judges recognised that the Collector executing decrees was not a ministerial officer but a 'court' executing the decrees transferred to him. This statement gains strength from the fact that in his valuable commentaries on the Indian Limitation Act (Third Edition) Mr. Rustomji writing as to what *proper Court* is in explanation II to that article says "when a decree is transferred to the Collector for execution (Section 68 C.P.C) he is the 'proper Court' within Article 182" and the learned author relies on the decison in XVI Allahabad for that position. It does not appear from the reported decision in 70 M. L. J. 31 as to whether His Lordship's attention was drawn to these rulings, but it is to be presumed that they were so drawn, since the decision in XLVII Allahabad relied on by His Lordship contains a discussion of all the rulings above cited. It is rather unfortunate that the framers of the Act and the rules thereunder did not think over the possible difficulties that would arise in administering the procedure laid down for the execution of the decrees obtained by the registered societies, but this is only an instance of the many defects that are to be found in the Madras Co-operative Societies Act.

Returning to the hypothetical cases contemplated above, case (*a*) is exactly covered by the ruling in 70 M. L. J. 31 and hence if an execution application is made to the civil court more than three years after the order on the last execution application in the civil court, the application has to be dismissed as time barred.

Coming to case (*b*) the answer depends on the construction of rule 6 to order XXXIV. That rule reads as follows:—'Where the net proceeds of any sale *held under the last preceeding rule* are found insufficient to pay the amount due to the plaintiff, the court on application by him may, if the balance is legally recoverable from the defendant otherwise than out of the property sold, pass a decree for such balance. It has to be seen that as a condition precedent to the application for passing a personal decree there ought to have been a sale under order XXXIV rule 5 of the Code. It is rather difficult to say as to whether a sale held under the rules framed by the Government under the Co-operative Societies Act can be held by any stretch of imagination to be a sale held under Order XXXIV, rule 5 of the Code for the purposes of rule 6. If it can be so construed, then limitation for an application under rule 6 runs from the date on which the proceeds are found insufficient.

In case (*c*) if an application is made to the Civil Court for bringing on record the legal representatives of a deceased defaulter, the court may refuse to allow the application if it is filed more than 3 years from the date of the last final order on the previous execution application made to the court.

In case (*d*) no difficulty can arise since the civil court has for the purpose of rule XXII (12) treat the auction purchaser as the holder of a decree for possession passed by itself. If an application is made to the court within the period of limitation the court has simply to direct that the applicant should be put in possession. As observed in XIV M. L. J. 433 at 435 'the intention of the Legislature was to place the purchaser for the purpose of recovery of possession of the land purchased in the position of a decree-holder and that is, entitled to such remedies as are open to the decree-holder in execution proceedings'.

P. K. SRINIVASA RAGHAVA ACHARYA.

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AMENDMENT TO SECTION 51 (MADRAS CO-OPERATIVE SOCIETIES ACT).

SIR,

The High Court decision which appeared in the January issue of your journal is a very important pronouncement on the construction and interpretation of section 51 of The Madras Co-operative Societies' Act (Act VI of 1932) involving, as it does, serious consequences which vitally affect the interests of all co-operative societies in this presidency. The section deals with certain classes of disputes relating to co-operative societies and has been enacted by the Legislature with the object of providing a separate forum for the cheap and summary settlement of disputes arising in regard to the business of co-operative societies without recourse to the costly and protracted litigation of civil courts. Clauses (*a*) and (*b*) of the section refer to "Members" while clause (*c*) thereof refers to "Officers, Agents or servants" of the society. Directors of a co-operative society being "Officers" as defined in the preliminary portion of the Act, are governed by clause (*c*) of the section. The question raised in the case under review is whether past or ex-directors come within the purview of clause (*c*) of the section.

His Lordship Mr. Justice King, who decided the case, held that past Directors were not governed by clause (*c*) of section 51, relying on the absence in clause (*c*) of the word "past" which was specifically mentioned in clauses (*a*) and (*b*) of the section. Section 49 of the Act was also referred to by His Lordship in this connection in confirmation of his view on the ground that the words "past Officer" were specifically used in that section.

With the greatest respect to the learned Judge, I humbly venture to submit that the construction placed by His Lordship on the scope of clause (*c*) of section 51 is narrow and necessarily gives rise to many vexed questions in the practical working of co-operative societies.

Above all, it may be pointed out that there is a wide gulf of difference between the members and Directors of a co-operative society with regard to their respective responsibilities in relation to the society. While, no doubt, it is true, in a sense, that the members of a society are generally responsible for the proper working of the society, their responsibility, however, is limited in its scope, when compared to the special and heavy responsibility that lies on the shoulders of the Directors, in whom the entire management and administration of the society are admittedly vested. This special responsibility of Directors of co-operative societies, being too well known, every Director must be deemed

to be fully alive to the grave responsibility that attaches to all his acts done by him as Director of the society, before taking up on himself the onerous duties of his office. It is therefore but fair to presume that the legislature considered it unnecessary to repeat the word "past" in the case of Directors in clause (*c*) of the section, while it took care to make specific mention of it in the case of members in clauses (*a*) and (*b*) of the section, clearly implying thereby that all Directors past as well as present were, from the very nature of their office and the special incidents attaching to all their official acts, *a fortiori* equally liable.

Section 49 of the Act referred to by His Lordship, no doubt, contains the word "past officers", but does not help us in any way as that section, in terms, refers only to specific cases of fraudulent misappropriation and breach of trust on the part of Directors and the mention of the word "past" in that section cannot therefore serve as a guide to the interpretation of section 51 - a section totally different in its scope and application. His Lordship himself feels the difficulty, for, he says, in the latter part of his judgment as follows:—

"*Prima facie* I would have been inclined to hold that clause (*c*) would apply were it not for the fact that in sections 51 and 49 specific reference is made to (past members and) past Officer."

The view of His Lordship, if followed, will lead to a curious anamoly in the present case under review, namely, the case against the five ex-directors (out of six Directors) will have to go before the Civil Court while the case against the one remaining present Director will have to be decided by the Registrar under section 51 of the Act, with the undesirable possibility of a conflict of decisions, between two different tribunals on the same point. Besides, the one advantage of arbitration under section 51 of the Act—the cheap and summary settlement of disputes relating to the business of co-operative societies—will be denied to all co-operative societies which will certainly find it impossible to bear the heavy burden of a costly and prolonged litigation in Civil Courts. Further, consequent on the adoption of His Lordship's view there will be very serious troubles created in the internal administration of societies, for, nothing would be easier for a dishonest Director, who apprehends the slightest trouble in the society with regard to his management of the society, than to immediately resign his office, successfully evade the speedy trial of the arbitration Court, effectively drive the society to the Civil Court with all the heavy expense and long delay attendant upon it and thus put the society to unnessary and unwarranted loss.

In view of the several considerations above set forth it is respectfully submitted that it is highly desirable that the Legislature should make clause (*c*) of section 51 of the Act quite clear by inserting word "past" before the words "Officer, agent or servants of the society" in clause (*c*) of section 51 of the Act at an early date and thereby remove all possible conflict of views with regard to the construction and interpretation of the section.

V. KRISHNA MOHAN.

Co-operation Abroad.

By S. S. A.

" Business efficiency in consumers societies " forms a topic of interest in the *Digest of the Co-operative Press*. We commend the following remarks appearing in it, culled from a Swedish Journal, to those who work on behalf of the consumers movement in this country :—" In the Co-operative Movement, costs are not simply the responsibility of those who are professionally employed in it. The members are the owners of the Society, and, like all owners of businesses, must see that it is efficiently managed. It is the members who have the decisive voice in the affairs of the Society, and they themselves, either directly or through their deputies, must supervise its activities effectively. "

* * *

The Digest of the Co-operative Press (1-1-1936), issued by the International Co-operative Alliance, gives prominence to views and news respecting peace of the world, which is at stake on account of the ambition of nations, and the means of preventing war and enforcing peace. Mr. H. J. May, its Editor, has rightly written :"In the present crisis of civilisation the Co operators of the world cannot remain passive onlookers. Collectively they constitute the greatest existing potential force for securing Universal Peace. The International Co-operative Alliance, the unique organisation of consumers, making its appeal to every section of the community and, therefore, to the whole, bases itself upon Peace as the elemental condition of its development as it is the higest expression of its ideals. The idea of association and the spirit of solidarity have more complete and genuine expression in our Co-operative League of Nations than in any other world organisation of an economic, social or political order."

* * *

There is much aptness and wisdom from the co-operators' stand point in the following recipe offered by *The Co-operative Builder*, the Common organ of the Co-operative Institutions of the Northern States of the United States of America, in one of its recent issues :

" What can Co-operators do to prevent wars ?

First, they can protest, exerting their united moral force against war.

Second, they can educate concerning the causes of wars.

Third, they can adopt Gandhi's policy of 'non-co-operation ', refusing to allow themselves and their co-operative machinery to be used by warring governments.

Fourth, they can work most effectively against war by extending as rapidly as possible, co-operative ownership and control throughout the

economic world, for only as *the competitive quest for profits is displaced by co-operation for abundance*, will wars permanently cease."

We commend these views to co-operators all over the world.

* * *

Mr. R. A. Palmer, General Secretary of the Co-operative Union, has contributed a thought-provoking article in the New year Number of the *Co-operative News* on the immediate problems confronting the British Co-operators. After referring to the splendid increase in the total sales of the movement in 1935, he wants co-operators not to lull themselves into complacency with their position. Increase in membership and increase in volume of trade are no doubt satisfactory, but compared with ten years ago, the average trade per member in grocery has fallen. Writes Mr. Palmer, "We can no longer afford to have some thousands of co-operators left without a co-operative milk service, a laundry service, without co-operative supplies of meat and other commodities simply because the existing co-operative organisation operating in their area is for some reason or other unable or unwilling to meet those needs." We share in full Mr. Palmer's views expressed in the following terms:—"The Co-operative movement can and will undoubtedly by the development of its activities bring in a system of ordered production and distribution but the co-operative movement has got to show that it will produce that orderly state within a reasonably short period of years."

* * *

The X'mas and New Year numbers of the *Co-operative News* give prominence to the campaign on behalf of the Ten Year Plan of Consolidation and Expansion of the Co-operative Movement in Great Britain. The outstanding events since the campaign started in 1934, which is to be completed in 1944, the Centenary of the effort of the Rochdale Pioneers, are said to be four in number:—(1) the entry into new fields of co-operative production; the adoption of the Ten Year Plan; the launch of the great "Press Power" bid; and the revival of the Co-operative Party at a General Election not otherwise satisfactory from a co-operative standpoint. The great importance the leaders of the Movement attach to the Ten Year Plan is evident from the following comments:—"We believe with the pioneers that production is the acid test of co-operative advance. We believe with the moderns that planning is essential to any advance in the complex twentieth century world. Every co-operative society contains the essence of a planned economy in miniature. Wholesale co-operation is the nucleus of planned economy for the nation. Co-operative principle connotes planning. The Ten Year Plan will give co-operative principle its scientific clothing, will give it a concrete goal, or a series of goals, and will establish tests by which its progress can be measured."

News and Notes.

We regret that in the list of candidates who failed at the peripatetic institutes' examination, published on page 415 of the February issue of this journal a misprint should have occurred. Please read register number 27 for 24.

* * *

We are informed by the Registrar of Co-operative Societies, Punjab, N. W. F. Provinces and Delhi, that the title conferred on Mr. Sultan Muhmud, Assistant Registrar, Co-operative Societies, Peshawar, is 'Khan Sahib' and not 'Sardar Sahib'. Somehow the newspapers in Madras published only the list of Sardar Sahibs. No mention was made of Khan Sahibs. We were overselves surprised at it. It now appears to be merely a printer's omission.

* * *

A Debt Conciliation Bill, on the lines of the recently passed Madras Bill, has been introduced in the Cochin Legislative Council. A Select Committee has been appointed which is expected to submit its report within a period of two months.

* * *

A society called the 'Madras District Co-operative Labour Society' was registered in January last with the main object of finding employment for its members by obtaining contracts from the Government and private bodies. It was inaugurated on 11-1-1936 by Mr. M. Giriappa, Joint Registrar of Co operative Societies, who explained to those present the aims and objects of the society. We wish the society every success.

* * *

Dr. B. K. Narayana Rao, Principal of the University Medical School, Bangalore, in the course of his report on the working of the school, presented on the occasion of the celebration of the 18th 'School Day,' stressed the necessity of medical people contributing their mite to the success of any scheme of rural reconstruction, as the rural areas afforded them opportunities to practise their profession.

* * *

When the Development Minister was reported recently in the *Hindu* to have said at Vizagapatam that as soon as the Central Institute for training was opened the six mofussil institutes had become 'very pathetic ones,' we sat up and admired him for adopting the non-official view with a considerable improvement in expression. Later, however, it dawned on us that while the Minister said 'peripatetic' the reporter took it down as 'very pathetic'.

On the recommendation of the Registrar of Co-operative Societies, Madras, the Government have decided to reduce the scale of audit fees by 12½ per cent giving power to the Registrar to grant remission not exceeding another 2½ per cent at his discretion in deserving cases. The new scale of fees will be given effect to from the co-operative year 1935-36.

* * *

Having examined the working of the scheme under the Agricultural Loans Act in Chingleput and East Godavari Districts, the Government of Madras have passed orders raising the maximum limit of the property of the applicants for loans from Rs. 3,000 to Rs. 5,000, but the maximum amount of liability is retained at Rs. 2,000. Another important alteration is that loans will be granted in future up to only two-fifths of the value of the mortgaged property and not up to two-thirds of its value.

* * *

A meeting of the citizens of Madras was held on the 10th February at the Gokhale Hall to record their sense of sorrow at the death of Mr. V. C. Rangaswami, Secretary of the Madras Provincial Co-operative Bank. Sir P. S. Sivaswami Aiyar occupied the chair. Mr. V. Ramadas Pantulu suggested the desirability of instituting a scholarship available for students taking a Diploma in Co-operation or Banking and he was sure that the Bank would contribute as much as possible for such a memorial. An influential committee was formed to collect funds and arrange for the memorial.

On the 21st January last, Mr. T. Austin, Registrar of Co-operative Societies, performed the inaugural ceremony of a co-operative society named after him at Kommapalli, a suburb of Berhampore in Ganjam District. This society is intended for the Dandasis, a criminal tribe of Ganjam. Nearly 1,500 Dandasis from several parts of the district were present on the occasion. Mr. Sarat Chendra Mahapatro explained to the Dandasis that the main purpose of the society was to promote thrift among the members and to educate their children. Mr. O. E. Windle, Deputy Inspector General of Police, who was present on the occasion, assured the meeting that the society would receive all possible help from the Police Department.

* * *

One is gratified to learn from the annual administration report of the Veterinary Department, Madras, for 1934–35, that mortality from disease has steadily decreased during the last three years, the reported cases being 40,196 in 1932–33, 31,744 in 1933-34 and 26,733 in 1934–35. This decrease is largely the result of the greater control of rinderpest by means of inoculation. Three years ago rinderpest accounted for about 50 per cent of the deaths but in 1934–35 its incidence was only 12 per cent.

There was a large increase in the number of castrations performed by the Burdizzo method which is reported to be getting more and more popular with the ryots. The Government in their review of the report note with satisfaction that the services of the department are in steadily increasing demand, though we should think that owing to the ryots' ignorance it is not as great as it should be.

* * *

The Directors of the Madras District Co-operative Central Bank report that in 1934–35 the Bank continued its work of supervision and rectification of depressed-classes societies although the Department took over the supervision of these societies and withdrew the two Inspectors whom it had lent to the Bank. The Bank issued loans amounting to Rs. 4·19 lakhs to the societies and recovered from them Rs. 4·25 lakhs. The overdues under principal and interest amounted to 20 and 4 per cent. respectively. One unfortunate incident that affected the Bank during the year was the huge fraud perpetrated by the secretary of the Workers Co-operative Bank. On the discovery of the fraud, the management of the society was taken over by the Department and later its registration was cancelled. The society owed to the Bank more than Rs. 30,000 at the time its management was superseded and at the time of the publication of its report about Rs. 12,000 had been recovered. The Bank earned a net profit of Rs. 11,695—the highest in its history so far—but out of it Rs. 6,600 has been set apart by the Registrar to reserve for bad debts.

* * *

The Prakasapuram Co-operative Bank is a rural society with limited liability in Tinnevelly District. It is indeed a model for other societies to copy. According to its eighth annual report for the year ending 30th June 1935, it had a membership of 360 and a share capital of Rs. 8,111 at the end of the year as against 302 members and Rs 8,310 respectively at the beginning of the year. The deposits held by the society at the end of the year amounted to about Rs. 24,300, which formed about 73 per cent of the working capital. The loans issued to members during the year under report amounted to Rs. 21,600 against only Rs. 11,320 in the previous year. The percentage of overdues under principal and interest were 1·8 and ·65 respectively as against 4·3 and ·12 in the previous year. The net divisible profit was Rs. 1,651-8-0 compared with Rs. 1,569-3-0 in the previous year. It continued to be placed in 'A' class. It is a limited liability society because the majority of its members are traders. It is obviously one of the most efficient societies in the province, fulfilling its objects very well.

* * *

The Nagpur Co-operative Society is the registered name of what is really the co-operative store of the South Indian residents of Nagpur. It was started in June 1932 with 60 members and had 209 members on

30-6-1935. The value of its sales rose during these three years from about Rs. 18,000 to about Rs. 21,600. The stock on hand at the end of the co-operative year 1934-35 was valued at Rs. 5,300 odd, while it was only about Rs. 3,600 at the beginning of the year. This increase is not explained. The stock at the end of the year appears to be excessive compared with the monthly sales of the society. In 1935 it adopted rules for running chit funds. The Triplicane Urban Co-operative Society, after much experience of chit funds thought it advisable to close down not only the chit funds but the whole of the credit department. It would perhaps be advisable for the Nagpur Society to do likewise—organising, if necessary, a separate credit society unconnected with the stores.

* * *

But where does all this co-operative activity lead? What is the goal for which co-operators are aiming? Is it merely a more efficient economic system? It is that; but it is something more. Is it a more satisfying economic system because it is more moral and because it solves most of the present-day problems of industry and commerce? It is that; but it is something more, for Co-operation has other aims than economic ones. The earnest co-operator seeks to apply co-operative methods to all purposes of social life, and does so because he believes that in working with others for the common good, man's highest qualities are enlisted and developed; and in the employment and development of these qualities the man himself becomes a better man, and the quality of the human race is improved.—F. Hall and W. P. Watkins, in Co-operation: A Survey of the History of the Co-operative Movement.

(Co-operation & Markets News.)

* * *

The *Co-operative Educator*, published by the Co-operative Union, Manchester, gives the following as the objects of a Co-operative College.

"To complete the scheme of Co-operative Education by providing a centre for higher education in the specialised subjects required for the full equipment of the co-operator and the further development of efficiency in the Co-operative Movement.

To provide a centre for the cultivation of the co-operative spirit, the generation of enthusiasm for the application of co-operative principles, and the inspiring of students for service in the cause of Co-operation; to assist in all possible ways in the diffusion of a knowledge of co-operative principles and practice and the cultivation of a healthy co-operative opinion; and to co-operate with, and help, all existing organisations having these objects.

To undertake investigations and research that are calculated to aid the general development and progress of Co-operation, and stimulate the application of co-operative principles in the solution of social problems."

Does Co-operation improve the people? Mr. V. Totomianz answers the question in a recent issue of the 'Bombay Co-operative Quarterly' from which the following paragraph is taken :

For example, in the villages of Finland, at least before the War, the doors of the houses were never locked; the passengers in the tramways dropped themselves the money due for their fare in special boxes; in the villages the milk destined for the co-operative creameries was put outside and left at the door-step; in the towns the lost objects were left at the same place for a long time, in the public gardens the people left their coats and bags and went for long walks to return to the places, occupied by their things. There is an anecdote about the honesty of the Finnish people. Not long before the War a foreigner left his purse in the buffet of a railway station. When, after the war, he returned to Finland, he found his long ago forgotten purse in the same place in the buffet, but with more money inside, as the percentage, due for many years, was added to it.

* * *

Mr. B. C. Burt, Expert Adviser, (Now Vice-president) Imperial Council of Agricultural Research, recently gave some striking figures and facts to show what cane-breeding has done for the sugar industry in India. "In 1910 the best material available to a sugar factory in Northern India was a thinnish cane containing when ripe about nine to nine and half per cent. of sugar on cane, yielding only ten tons or so per acre on the average, unsuitable for intensive cultivation and only fit for crushing for about 70 days in the season. Now a group of canes is available covering the period November to April, yielding commonly 25 tons per acre and up to 35 tons with good cultivation, with a sugar content on cane of 11½ per cent. to 12 per cent. These are all hardy canes suitable for village conditions with the hard rind necessary to render them unattaractive to jackals, wild pigs and other enemies, and resistant to mosaic disease. When the Indian Sugar Committee reported in 1919, good factories were getting a recovery of six and a half per cent; now the general figure for the United Provinces and Bihar is over nine per cent, mainly due to better raw material. The average normal yield of *gur* per acre in the United Provinces in 1919-20 was 2,600 lb. per acre; in 1934-35 it was 3,900 lb. on the 1,560,000 acres planted with improved canes. Wherever Coimbatore canes are properly grown in the irrigated tracts of Northern India, a yield of 30 tons of cane, giving two and three-quarter tons of sugar per acre is now expected."

List of Societies Registered in January 1936.

S. No.	Name of Society.	District.
1	Srivilliputtur Taluk Co-op. Land Mortgage Bank.	Ramnad.
2	The Kalathur Co-op. Credit Society ...	North Arcot.
3	Kondapalli Toy Manufacturers' Co-op. Purchase and Sale Society.	Kistna.
4	Nandanar Students Co-op. Stores, Masulipatam.	
5	The Austin Berhampur Dandasees Co-op. Better Living Society.	Ganjam.
6	The Alamuru Co-op. Crop Loan and Sales Society, Alamuru.	East Godavari.
7	The Ramachandrapuram Co-op. Crop Loan and Sale Society.	
8	The Nellore Co-op. Stores, Ltd. ...	Nellore.
9	Keeramangalam Co-op. Society ...	Trichinopoly.
10	The Muhammad Bandhar Co-op. Better Living Society.	Tanjore.
11	The Veeramanga Co-op. Better Living Society, Allipore, Vizag Town.	Vizagapatam.
12	Sri Venugopala Co-op. Better Living Society, Resabupalam, Vizag Town.	,,
13	Srikrishna Co-op. Better Living Society, Peda, Waltair.	,,
14	The Lakshmi Co-op. Better Living Society, Maddilapalem, Vizag Town.	,,
15	The Sri Anjaneya Co-op. Better Living Society, Dondaparti, Vizag Town.	,,
16	The Sri Radha Krishna Co-op. Better Living Society, Nakkavanipalem, Vizag Town.	,,
17	Ulundurpet Co-op. Crop Loan and Sale Society.	South Arcot

List of Societies cancelled in January 1936.

Name of the Society.	District.	Date of Cancellation
Tiruvanmiyur C. S. ...	Chingleput ...	3-1-36.
Koderu Agricultural Society ...	West Godavari ...	4-1-36.
Gopinenipalem C. S. ...	Kistna District ...	5-1-36.
Sahasrapadmapuram C. S. ...	Chittoor ...	,,
Kandithampatti Sydambalpuram Co-op. Labour Society, Ltd.	Tanjore ...	8-1-36.
Athikulampatti C. S. ...	Ramnad ...	,,
Sahadevanpettai C. S. ...	South Arcot ...	,,
Chokkacherla Panchama C. S. ...	Nellore ...	,,
Dhanushkodi Public Servants Co-operative Stores, Ltd.	Ramnad ...	..

Name of the Society.	District.	Date of Cancellation
Odaikarai C. M. S. C. S. ...	Tinnevelly ...	8-1-36.
Tummagunta C. S. ...	Nellore ...	9-1-36.
Lakshmipuram C. S. ...	" ...	"
Pantapalem C. S. ...	" ...	10-1-36.
Kanamandur C. S. ...	North Arcot ...	"
Chinacherukur C. S. ...	Nellore ...	"
Nekunampet C. S. ...	" ...	11-1-36.
Vavilla C. S. ...	" ...	"
Chundi C. S. ...	" ...	"
Basavayapalem C. S. ...	" ...	"
Rajapalaiyam L. M. B. Ltd. ...	Madura }	Amalgamated into Srivilliputhur L. M. B.
Watrap L. M. B. Ltd. ...	" }	
Mayoornathapuram ...	Ramnad ...	27-1-36:
Mottoor C. S. ...	North Arcot —	29-1-36.
Subbayagudem C. S. ...	Kistna ...	"
Sirekolam C. S. ...	Anantapur ...	31-1-36.

The Erode Co-operative House Mortgage Bank, Limited.

(Formerly The Erode Co-operative Building Society, Ltd.)

(Estd. 1924.)

The place for safe investment of Long Term Funds—Secured by First Class First Mortgage outstandings and Assets of the Bank—of special advantage and convenience to Government officials and employees.

Fixed Deposits for 10 years at $5\frac{1}{2}$ % per annum required. Interest payable half-yearly.

Particulars from the Secretary,

E. S. GANAPATI AIYAR, B.A., B.L.,
President.

Registrar's Circulars.

F. 8520/35.

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE SOCIETIES
Madras, Dated 18th January 1936.

M.R.Ry. M. GIRIAPPA AVL., B.A.,
Joint Registrar of Co-operative Societies.

MEMORANDUM.

Sub :—Arbitration—Levy of fees for certain disputes—filed under section 51 of the Madras Co-operative Societies Act VI of 1932—fees abolished.

Ref :—Registrar's proceedings 5399-33 dated 23-6-34.

The proceedings of the Registrar quoted above, prescribing under Rule XV (5) of the Rules framed under the Madras Co-operative Societies Act VI of 1932 fees for certain classes of disputes filed under section 51 of the Madras Co-operative Societies Act are hereby cancelled.

(By Order)
K. A. PADMANABHAN,
Manager.

B. 692 36.

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE SOCIETIES,
Madras, Dated 26th January 1936.

T. AUSTIN ESQ., I.C.S.,
Registrar of Co-operative Societies.

Sub :—Loans—Loans for payment of kist—arrangements.

Read :—Registrar's circular A. 1644/27 dated 29-4-27.

In the Registrar's circular quoted, the advantages of the utilisation of co-operative loans for payment of kists were emphasised and the Deputy Registrars were requested to popularise the use of co-operative loans in consultation with the officers of the Revenue Department. This system of loans was successfully adopted by some societies in the Kaikalur taluk of the Kistna District and in the Conjeevaram taluk of Chingleput district. The Registrar hopes that if the scheme, if well planned, will be a success in other districts also.

II. The kist season has already begun. The members of agricultural societies stand in need of help during the kist season to enable them to hold up their produce for a better market. Societies may arrange for the payment of kists on behalf of their members and the following procedure may be adopted.

PROCEDURE.

(1) The office-bearers of co-operative societies will send a list of their members to the village officers.

(2) The village officers should furnish the society with information in the following form.

Member—Pattadars.		Survey No.	Extent.	Kist.	Water Local rate cesses.	Total.	Remarks.
No.	Name of present enjoyer.						

The panchayat should consult their member pattadars in regard to its correctness if they consider it necessary to do so.

(3) On receipt of this information the society should get necessary bonds from its members, preferably with pledge of grain undertaking to repay at the time when the crops are sold and debit the amount against the individuals. The society will pay direct to the village headman the total amount of kist payable by member pattadars including enjoyers as per list accompanying the remittance obtaining separate receipts for each pattadar for delivery as vouchers to the individuals concerned.

(4) In all cases where the societies undertake to pay the kist of their members the village officers will in the first place approach the president of the societies for collection.

(5) After jamabandi the village officers will also bring to the notice of the President the variations, if any, in the amount of kist and the president will make necessary arrangements to pay the balance if any.

(6) For purposes of paying these kists promptly the societies which have enough borrowing power should send their loan application to central banks and the latter will dispose of them quickly and make the amounts available to ryots in time.

(7) It is not necessary to include 'penalties' in this scheme. Apart from the trouble involved in collecting a number of small variable items, for which the demand is made as occasion arises, from the co-operative societies there is the point that the land encroachment Act requires service of a notice on the encroacher. It cannot be served on the society.

III. The Registrar trusts that a very earnest attempt will be made this year to introduce this system and that the officers of the Department, the District Co-operative Central Banks and the Local Co-operative Supervising Unions will do their best to popularise it. Such help as is necessary from the officers of the Revenue Department may also be obtained.

IV. The Deputy Registrars and Sub-Deputy Registrars in independent charge should submit a report in the following form early in

July 1936 to show how far societies have adopted the system and with what success.

No. and name of society which adopted the system of kist loans.	No. of members who took kist loans.	No. and amount of loans disbursed for direct payment of kist.	Remarks.
(1)	(2)	(3)	(4)

(By Order),
K. A. PADMANABHAN,
Manager.

D. Dis. B. 681/36.

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE SOCIETIES,
Madras, Dated 10th February 1936.

T. AUSTIN ESQ., I.C.S.,
Registrar of Co-operative Societies.

CIRCULAR.

Sub:—Audit—Balance sheets—putting up on notice boards—Instructions—issued.

Ref:—Registrar's circular D. Dis. B. 7268/35 dated 19—12—35.

In the circular quoted, the Registrar prescribed the methods for publication of the audit certificates and other statements as required in rule VII of the rules framed under the Madras Co-operative Societies Act VI of 1932. The Government consider that every co-operative society should be required to publish its audited balance sheets by exhibiting them on the notice board in the society's premises. In addition to the reading of the audit report the summary of defects and the audit certificate at general meetings as ordered already, the societies should put up a copy of their audit certificate with audited balance sheets on their notice boards. The Deputy Registrars and Sub-Deputy Registrars in independent charge are requested to instruct societies accordingly and see that the instructions are carried out.

(By Order).
K. A. PADMANABHAN,
Manager.

The Late Rao Sahib, T. K. Hanumantha Rao.

The Late Mr. V. C. Rangaswamy

New Year Honours.

Rao Bahadur K. Sambasiva Chettiyar,
President: Urban Bank, Conjeevaram.

Rao Sahib C. Venkataramana Iyer,
President: Town Bank, Chittoor.

Extracts.

SOME STRAY IMPRESSIONS OF CO-OPERATION IN MADRAS.

BY VAIKUNTH L. MEHTA.

Despite the note of pessimism struck by Mr. V. Ramadas Pantulu in his welcome address at the Madras Provincial Co-operative Conference the impression that I carried of the Co-operative movement in Madras —admittedly after a brief contact with it—was that it was full of vigour and life despite the handicaps, internal as well as external, under which it was labouring. It was over six years and a half since I last visited the province and these years had witnessed the crippling of the agriculturists' resources to an extent unknown before. Many agricultural credit societies have gone under during these times of stress and strain, but a majority have not only survived but are refunctioning normally and a number of them have so improved their position as to be able to afford tangible relief to their members. That rural co-operators should demand that the rate of interest on loans to members should be reduced to six per cent is by no means surprising nor is it in itself an indication of financial strength. That both the Joint Registrar of Co-operative Societies and the President of the Provincial Bank not only admit the justification of the demand but accept and recommend it as financially sound is, however, one of the healthiest signs that I can think of the credit movement in any province as possessing.

It is now ten years since Primary Land Mortgage Banks were started in Madras, about some time after a similar experiment was inaugurated in the Punjab. The experiment in the Punjab had all the fostering care that a benevolent Co-operative Department could bestow on it. But no one now hears of the experiment in the Punjab while the co-operators in Madras who stood on their own legs at the start have fought their way inch by inch to success and have even compelled the citadel of the Government of India to capitulate. They evolved four years ago a well considered policy of development under the aegis of a Central Land Mortgage Bank, and thanks to the grit, tenacity, adherence to principles and far-sightedness displayed by Sir M. Ramachandra Rao, to whom were entrusted the destinies of this new institution, the Madras Central Land Mortgage Bank and the organization it has brought into being represent one of the most stable, well-knit and efficient constituent units on the co-operative movement in any province in India. Undoubtedly, the Government of Madras have been helpful, but their aid has not been bought at the cost of any sacrifice of autonomy. The right to have the final voice in the granting of loans and the issue of debentures, insistence on efficiency of administration, caution in the assessment of repaying capacity and the valuation of lands, rigidity in the scrutiny of titles and legal rights, these and other safeguards have all contributed to the strength of the organization. And it is these important features, rather than arguments, that have won for the Bank privileges from the State, legislative and administrative, which have enhanced its credit and have imparted strength and stability to the whole structure of Land Mortgage Credit.

The third striking feature is the popularity of consumers' Co-operation in South India, and especially in the city of Madras. The success

of the Triplicane Urban Co-operative Society, Ltd., has had a wonderful influence in inducing South Indians wherever they happen to settle down in large numbers to set up a co-operative store of their own, on a majority of occasions with a very considerable measure of success. This was the first time I came across the T. U. C. S. Bulletin which is now running its seventh volume. This Bulletin, in addition to reports of meetings, statements of sales and other information about the administration of the society, also contains editorial notes. One of these notes deals with the new emblem of a bunyan tree adopted by the Society. The bunyan tree replaces the "handshake" till now in vogue, and it is symbolical of the aims of the organisation which are to give shelter to all and to extend its scope by throwing out branches which quickly take root in the soil.

Two institutions in the suburbs of Madras, the Nungambakkam Consumers' Co-operative League and the Mambalam Co-operators' League and Buying Club, with the work of which I was privileged to secure a passing acquaintance, will indicate the directions in which the activities of the Triplicane Urban Society are likely to branch out in future. The two leagues consist as members of persons most of whom are members of the parent society who patronize its local branch but who wish to make the branch an autonomous body directly controlled by the local members. These individuals are thoroughly loyal in their dealings with the Triplicane Society, but make through their local buying club joint purchases, against payment, of such articles as are not sold by the Triplicane Urban Co-operative Society. The leagues have a unique constitution indeed inasmuch as they have no money subscriptions, no finance, no rules, no bye-laws, no office-bearers, no committees of management and no elections. They possess nevertheless a body of members thoroughly imbued with the spirit of co-operation. These members book their orders regularly, take delivery as settled, are prompt in their payments and regular in their attendance at the periodical meetings where the members gather together to exchange views on some topic of common interest or to listen to some address by distinguished co-operators or decide about their future lines of work. Refreshments are provided by the members by turns for this periodical meeting, but no expenses are incurred on behalf of the leagues. The sales in one of the leagues amounted in a year to Rs. 2,668 and in the other to Rs. 403. The principal articles dealt in were charcoal, firewood, vegetables, butter, school requisites and milk for which special arrangements for a regular supply both in the mornings and evenings have been made.

Another institution that had just been established when I last visited Madras in January 1929 has now grown into a large organisation is the Madras Co-operative Milk Supply Union, Ltd. Though conducting business on a more modest scale it can well stand comparison with the better advertised Milk Union of Calcutta. One main distinction between the two institutions is that while the Union in Calcutta has to be largely subsidised by the State and have its operations controlled by inspectors from the Co-operative Department, the Madras Milk Supply Union receives no subsidy from Government. It had taken loans aggregating Rs. 15,000 in the years 1928 and 1929 which were repaid in full with interest before the close of the year 1933-34. The majority of the funds of the Union now consist of share capital amounting to Rs. 2,140 and a reserve fund of Rs. 4,371. Sales in the year 1934-35

amounted to Rs. 1,27,615 against which the expenses of management were only Rs. 18,000 inclusive of Rs. 7,844 spent on transport of the milk from the producing centres to the hospitals and depots. The net profit was Rs. 4,667 which enabled the Union to distribute a bonus of over Rs. 2,200 to the suppliers of milk. At the same time, the sale price to the consumers is fixed so low that it becomes impossible for the Union to meet the growing demand from individual customers for milk. Out of the sales, half are to local hospitals and the rest at the depots, numbering 20, which are spread throughout the city. To individual customers coupon books are issued against payment received in advance. So that the Union secures regular customers, the consumers, a regular supply while no doubtful outstanding bills need be carried by the Union on its portfolio either for retail or wholesale purchasers.

As its name indicates, the institution is a federation of milk supply societies, the number of which was 28 at one time and has now gone down to decline. The objects of the affiliated societies are to enable members to buy and maintain good milch animals, to buy and maintain breeding animals for the use of members and to arrange for the sale of milk on behalf of the members to the best advantage by putting on the market pure and unadulterated milk. In practice, the societies confine the attention to the last mentioned object and arrange for the regular milking under supervision of their members' animals at a central place, the testing of milk with the lactometer and the despatch of the milk regularly twice in the day in the Union's motor lorry. The Union has among its objects the purchase at wholesale rates of cattle food and other commodities required by members, the organization of the purchase of cattle required by the members, the encouragement of the growing of fodder crops and the establishment of a modern dairy plant; but it has made no attempt to carry out any of these objects. It has concerned itself hitherto merely with the organization of the disposal, on the best terms obtainable, of the milk and the milk products of its own members or of the members of affiliated societies. The Union purchases the milk at fixed rates and sells it to the public at rates also fixed from time to time. The unsold milk is turned into butter, cream, curds, butter-milk, skim milk and occasionally ghee and these products are sold for cash to retail customers. The arrangements for transport are, the Union considers, unsatisfactory and compel the suppliers to milk their cattle at unusually early hours. The Union hence feels the need of a pasteurizing plant for which it will require some financial assistance either from Government or from the Municipality. Looking to its efficient administration and the fact that nominated members are associated with the management along with elected representatives of societies, it may not be too much to hope that the assistance required for the installation of a pasteurizing plant will be forthcoming in the near future, thus enabling the Union to extend the scope of its operations to the great benefit of the consumers of milk in the city.

(*The Bombay Co-operative Quarterly.*)